MİGROS TİCARET ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2011

(ORIGINALLY ISSUED IN TURKISH)

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CONDENSED CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	(Not reviewed) 30 September 2011	(Audited) 31 December 2010
ASSETS			
Current assets			
Cash and cash equivalents		1.151.487	884.180
Trade Receivables		57.143	49.920
- Other trade receivables		57.077	49.897
- Due from related parties	20	66	23
Other receivables		2.226	24.641
Inventories	8	650.352	746.590
Other current assets		47.172	40.013
Total current assets		**1.908.380**	**1.745.344**
Non-current assets			
Other receivables		1.383	1.475
Financial assets		1.695	2.215
Derivative financial instruments	4	150	4.627
Investment property	5	52.918	52.193
Deferred tax assets		-	603
Property, plant and equipment	6	1.096.716	1.193.891
Intangible assets	7	249.215	304.786
Goodwill	9	2.251.427	2.251.427
Other non-current assets		6.916	10.784
Total non-current assets		**3.660.420**	**3.822.001**
Total assets		**5.568.800**	**5.567.345**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	(Not Reviewed) 30 September 2011	(Audited) 31 December 2010
LIABILITIES			
Current liabilities			
Current portion of long-term liabilities	10	54.145	61.122
Derivative financial instruments	4	22.632	43.417
Trade payables		1.347.416	1.463.546
- Due to related parties	20	1.617	2.260
- Other payables		1.345.799	1.461.286
Other payables		5.033	16.169
Taxes on income		78.923	1
Provisions	11	50.453	48.197
Other current liabilities		82.214	85.529
Total current liabilities		**1.640.816**	**1.717.981**
Non-current liabilities			
Financial liabilities	10	2.649.790	2.327.261
Derivative financial instruments	4	19.883	41.856
Other liabilities		4.156	3.811
Provision for employee termination benefits	12	10.617	10.269
Deferred income tax liabilities	18	115.631	119.014
Total non-current liabilities		**2.800.077**	**2.502.211**
Total liabilities		**4.440.893**	**4.220.192**
EQUITY			
Attributable to equity holders of the parent		1.127.444	1.346.647
Share capital	19	178.030	178.030
Share premium		678.233	678.233
Other capital reserves		(365)	(365)
Restricted reserves		385.856	385.856
Cumulative translation differences		23.545	7.040
Additional contribution to shareholders' equity related to merger		27.312	27.312
Retained earnings		70.541	27.960
Net income for the period		(235.708)	42.581
Minority interest		463	506
Total equity		**1.127.907**	**1.347.153**
Total liabilities and equity		**5.568.800**	**5.567.345**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	(Not reviewed) 1 January - 30 September 2011	(Not reviewed) 1 July - 30 September 2011	(Not reviewed) 1 January - 30 September 2010	(Not reviewed) 1 July - 30 September 2010
CONTINUING OPERATIONS					
Revenue (net)	3,13	4.253.203	1.613.335	3.848.163	1.464.561
Cost of sales (-)	3,13	(3.153.125)	(1.207.007)	(2.865.355)	(1.095.382)
GROSS PROFIT	**3,13**	**1.100.078**	**406.328**	**982.808**	**369.179**
Marketing, selling and distribution expenses (-)	14	(758.078)	(274.155)	(668.236)	(245.145)
General administrative expenses (-)	14	(154.735)	(53.167)	(149.155)	(49.979)
Other operating income	15	6.630	859	10.674	3.620
Other operating expense (-)	15	(18.908)	(2.110)	(10.278)	(3.082)
OPERATING PROFIT	**3**	**174.987**	**77.755**	**165.814**	**74.594**
Financial income	16	174.240	48.659	258.974	(50.223)
Financial expense (-)	17	(743.003)	(264.938)	(279.338)	(48.507)
(LOSS) / INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**3**	**(393.776)**	**(138.524)**	**145.450**	**(24.136)**
Income tax expense	**18**	**(40.038)**	**(12.988)**	**(25.589)**	**5.433**
- Income tax expense	18	(34.829)	(13.856)	(34.416)	8.173
- Deferred income tax income	18	(5.209)	868	8.827	(2.740)
NET (LOSS) / INCOME FROM CONTINUING OPERATIONS		**(433.814)**	**(151.512)**	**119.861**	**(18.703)**
DISCONTINUED OPERATIONS					
Income / loss after tax from discontinued operations	26	198.056	242.737	(16.678)	(11.434)
NET (LOSS) / INCOME		**(235.758)**	**91.225**	**103.183**	**(30.137)**
Net income / (loss) attributable to:					
Equity holders of the parent		(235.708)	91.308	103.132	(30.151)
Minority interest		(50)	(83)	51	14
		(235.758)	**91.225**	**103.183**	**(30.137)**
Earning per share (Kr)	21	(1,32)	0,51	0,58	(0,17)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	(Not reviewed) 1 January - 30 September 2011	(Not reviewed) 1 July - 30 September 2011	(Not reviewed) 1 January - 30 September 2010	(Not reviewed) 1 July - 30 September 2010
Net income / (loss) for the period	**(235.758)**	**91.225**	**103.183**	**(30.137)**
Other comprehensive income / (expense):				
Currency translation differences	22.501	13.782	(6.463)	(4.997)
Cumulative translation differences reclassified due to foreign operations disposal	(5.989)	-	-	-
Other comprehensive loss for the period	**16.512**	**13.782**	**(6.463)**	**(4.997)**
Total comprehensive income for the period	**(219.246)**	**105.007**	**96.720**	**(35.134)**
Total comprehensive income attributable to:				
Equity holders of the parent	(219.203)	105.145	96.712	(35.162)
Minority interest	(43)	(138)	8	28
	(219.246)	**105.007**	**96.720**	**(35.134)**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Share capital	Share Premium	Other capital reserves	Restricted reserves	Cumulative translation differences	Additional contribution to equity related to merger	Retained earnings	Net income	Minority interest	Total equity
Balances at 31 December 2009 (As previously reported)	**178.030**	**678.233**	**(365)**	**364.097**	**7.010**	**27.312**	**133.067**	**108.024**	**461**	**1.495.869**
Effect of restatement	-	-	-	-	-	-	4.542	(81)	-	4.461
Balances at 1 January 2010 (As previously reported)	**178.030**	**678.233**	**(365)**	**364.097**	**7.010**	**27.312**	**137.609**	**107.943**	**461**	**1.500.330**
Transfers	-	-	-	21.759	-	-	54.684	(76.443)	-	-
Dividends paid	-	-	-	-	-	-	(164.333)	(31.500)	-	(195.833)
Total comprehensive income	-	-	-	-	(6.420)	-	-	103.132	8	96.720
Balances at 30 September 2010	**178.030**	**678.233**	**(365)**	**385.856**	**590**	**27.312**	**27.960**	**103.132**	**469**	**1.401.217**
Balances at 1 January 2011	**178.030**	**678.233**	**(365)**	**385.856**	**7.040**	**27.312**	**27.960**	**42.581**	**506**	**1.347.153**
Transfers	-	-	-	-	-	-	42.581	(42.581)	-	-
Total comprehensive income / (expense)	-	-	-	-	16.505	-	-	(235.708)	(43)	(219.246)
Balances at 30 September 2011	**178.030**	**678.233**	**(365)**	**385.856**	**23.545**	**27.312**	**70.541**	**(235.708)**	**463**	**1.127.907**

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	(Not reviewed) 1 January - 30 September 2011	(Not reviewed) 1 January - 30 September 2010
Operating activities:			
Net income/(loss) for the period from continuing operations		(433.764)	119.810
Net income/(loss) for the period from discontinued operations	26	198.056	(16.678)
Adjustments to reconcile net income to net cash provided / used by operating activities:			
Minority interest		(50)	51
Depreciation and amortisation	5,6,7	91.864	88.224
Provision for employment termination benefits	12	11.339	3.136
Provision for unused vacation	11	12.294	15.224
Provision for litigation	11	3.789	3.325
Bad debt provision	15	1.048	1.680
Income tax expense	18, 26	109.295	26.267
Tax provision concerning prior periods		1.930	-
Interest income	16	(35.619)	(34.966)
Interest expense	17	171.002	147.017
Gain / (loss) on sale of property, plant and equipment - net	15	(428)	(2.649)
Impairment of property, plant and equipment	6	5.599	1.930
Gain from sale of subsidiary	26	(347.434)	-
Fair value loss of derivative instruments	4	(23.352)	63.108
Unrecognised foreign exchange differences - net		534.432	(216.914)
Cash flows from operating activities before changes in operating assets and liabilities		**300.001**	**198.565**
Changes in operating assets and liabilities:			
Trade receivables		(8.335)	(6.589)
Inventories		767	(95.679)
Other current assets and other receivables		7.871	(15.609)
Other non current assets		3.899	1.287
Short-term trade payables		(114.415)	108.020
Other current liabilities and other payables		(3.287)	9.952
Long-term trade payables		60	(1.140)
Employment termination benefits paid	12	(10.453)	(6.820)
Unused vacation paid	11	(4.771)	(3.310)
Income taxes paid		(18.038)	(39.560)
Tax paid concerning prior periods		(13.094)	-
Compensations paid	11	(2.036)	(3.179)
Accrued interest		1.490	(1.810)
Net cash provided from / (used in) operating activities of discontinued operations		7.219	(17.962)
Net cash provided from operating activities		**146.878**	**126.166**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2011

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	(Not reviewed) 1 January - 30 September 2011	(Not reviewed) 1 January - 30 September 2010
Investing activities:			
Purchase of investment property	5	(218)	(315)
Purchases of property, plant and equipment		(99.267)	(101.403)
Purchase of intangible assets	7	(4.898)	(1.673)
Proceeds from sale of property, plant and equipment		597	3.873
Cash received due to sale of subsidiary	26	595.153	-
Interest received	16	34.129	36.776
Net cash used in investing activities of discontinued operations		(6.299)	(27.324)
Net cash obtained / (used) in investing activities		**519.197**	**(90.066)**
Financing activities:			
Bank borrowings paid		(261.063)	(48.504)
Cash paid with respect to derivative instruments		(14.929)	(23.235)
Dividend paid		-	(195.833)
Interest paid		(128.819)	(117.717)
Net cash used in financing activities of discontinued operations		-	-
Net cash (used in) / generated from financing activities		**(404.811)**	**(385.289)**
Cumulative translation adjustment		6.043	(3.014)
Net increase in cash and cash equivalents		267.307	(352.203)
Cash and cash equivalents at the beginning of the period		**884.180**	**1.281.287**
Cash and cash equivalents at the end of the period		**1.151.487**	**929.084**

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Migros Ticaret A.Ş., previously named as Moonlight Perakendecilik ve Ticaret Anonim Şirketi ("Moonlight"), (collectively referred to as "Migros Ticaret" or the "Company"), was established on 19 March 2008 and is registered in Istanbul, Turkey under the Turkish Commercial Code.

Moonlight acquired 50,83% of Migros Türk Ticaret A.Ş. ("Migros Türk") shares on 30 May 2008 from Koç Holding A.Ş. ("Koç Holding") at a price of TL 1.922.440 subsequent to the approval of the Competition Board. As of 31 December 2008, Moonlight had increased its shares in Migros to 97,92% as a result of purchases made in Istanbul Stock Exchange on various dates.

In accordance with the decision taken during Migros Türk's general assembly held on 28 April 2009, Migros Türk decided to merge with Moonlight through a takeover of its assets and liabilities as a whole within the framework of Capital Markets Board ("CMB") regulations, Turkish Commercial Code, Law No. 451, and other related articles and Corporate Tax Law No. 19-20. As a result of the mentioned merger, Moonlight's capital was decided to be increased from TL 174.323.340 (Amount expresses in Turkish Lira) to TL 178.030.000 (Amount expresses in Turkish Lira) and in accordance with the merger agreement approved during the General Assembly, merger ratio of 0,97918 and share exchange ratio of 1,00 was determined. As a result of the merger, registered shares amounting to TL 3.706.660 (Amount expresses in Turkish Lira) issued by Moonlight were distributed to the minority shareholders of Migros Türk in exchange for their Migros Türk shares.

The General Assembly held on 28 April 2009 regarding the merger was registered on 30 April 2009 and the merger had been legally recognised on that date. As a result of the merger, Moonlight's trade name has been changed as Migros Ticaret A.Ş.

The Company will be mentioned as the "Group" together with its subsidiaries. The parent company of the Group is MH Perakendecilik ve Ticaret A.Ş ("MH Perakendecilik"). Its shareholding in Migros Ticaret A.Ş is 80,51% (December, 2010: %97,92). The Group sold its subsidiary Ramstore Azerbaijan of which it had 100% of shares, on 17 Februrary 2011 and sold its subsidiary Şok Marketler Ticaret A.Ş. of which it had 99,6% of shares, to a third party on the date 25 August 2011.

The Company is mainly engaged in the retail sales of food and beverages, consumer and durable goods through its Migros, 5M, Tansaş and Macrocenter banner stores in Turkey, shopping centers, Ramstores banner stores abroad and internet. The Company also rents floor space in the shopping malls to other trading companies. As of 30 September 2011, the Group operates in 731 stores (December, 2010: 1.932) with a net retail space of 781.576 (December, 2010: 977.301) square meters. Retail is the main business of the Group and constitutes 96,3% of gross sales (September, 2010: 96,6%).

The address of the registered office is as follows:

Migros Ticaret A.Ş.
Turgut Özal Caddesi No:12
34758 Ataşehir İstanbul

These consolidated financial statements have been approved for issue by the Board of Directors "(BOD)" on 10 November 2011 and signed by Ö.Özgür Tort, General Manager, and Erkin Yılmaz, Assistant General Manager, on behalf of the BOD. The owners of the Company have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries:

The Company has the following subsidiaries (the "Subsidiaries"). The nature of the business of the Subsidiaries and for the purpose of the condensed consolidated interim financial statements, their respective geographical segments are as follows:

Subsidiary	Country of incorporation	Geographical segment	Nature of business	September 2011 %	December 2010 %
Ramstore Mahdud Mesuliyyetli Cemiyeti ("Ramstore Azerbaijan") (***)	Azerbaijan	Azerbaijan	Retailing	-	100,0
Ramstore Bulgaria E.A.D. ("Ramstore Bulgaria")	Bulgaria	Bulgaria	Dormant	100,0	100,0
Ramstore Kazakhstan LLC ("Ramstore Kazakhstan")	Kazakhstan	Kazakhstan	Retailing	100,0	100,0
Ramstore Macedonia DOO ("Ramstore Macedonia")	Macedonia	Bulgaria	Retailing	99,0	99,0
Ramstore Bishkek LLC ("Ramstore Bishkek")	Kyrgyzstan	Kazakhstan	(**) Liquidation	-	100,0
Sanal Merkez Ticaret A.Ş. ("Sanal Merkez")	Turkey	(*)	Trade	100,0	100,0
Şok Marketler Ticaret A.Ş. ("Şok Marketler")(****)	Turkey	(*)	Trade (Dormant)	-	99,6

(*) Not included in the scope of consolidation on the grounds of materiality.
(**) Ramstore Bishkek LLC's operations were discontinued beginning of 2010, subsequent to the closure of the only store in the country. The Company has been liquidated as of April, 28 2011.
(***) On 17 February 2011, The Group sold 100% shares of subsidiary, Ramstore Azerbaijan, to a third party. Gain realized and cash flow transactions due to the sale is shown under Note 26.
(****) On 25 August 2011, The Group transfered 99.6% of its shares in Şok Marketler Ticaret A.Ş to the third party. The gain from the sale of subsidary and cash flow are shown under Note 26.

On 31 May 2011, Amaç Gıda San. ve Tic. A.Ş., Ades Gıda San. Ve Tic. A.Ş. and Egeden Gıda Tüketim Malları Tic. ve San. A.Ş. have merged with Migros Tic. A.Ş.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Financial Reporting Standards

The condensed consolidated interim financial statements of Migros have been prepared in accordance with the accounting and reporting principles issued by the Capital Markets Board ("CMB"), namely "CMB Financial Reporting Standards". CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards, the application of inflation accounting is no longer required Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the IASB, has not been applied in the financial statements for the accounting periods starting 1 January 2005.

In accordance with the Communiqué No: XI-29, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed consolidated interim financial statements in the interim periods and prepared the mentioned condensed consolidated interim financial statements in compliance with CMB Financial Reporting Standards.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Financial Reporting Standards (continued)

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these condensed consolidated interim financial statements, the condensed consolidated interim financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB in accordance with the accounting and reporting principles accepted by the CMB ("CMB Financial Reporting Standards") which are based on IAS/IFRS. The condensed consolidated interim financial statements and the related notes to them are presented in accordance with the formats required by the CMB that announced in weekly newsletters numbered 2008/16, 2008/18, 2009/2 2009/4 and 2009/40 including the compulsory disclosures.

The condensed consolidated interim financial statements are prepared in Turkish Lira ("TL") based on the historical cost convention except for the financial assets and liabilities which are expressed with their fair values.

2.2 Summary of Significant Accounting Policies

The condensed consolidated interim financial statements prepared for the interim period 1 January – 30 September 2011 should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2010.

Expenses which have not been allocated evenly during the one year fiscal period, have been taken into consideration in the condensed consolidated interim financial statements in cases where only if these expenses can be anticipated or deferred accordingly in the fiscal year end.

2.2.1 Comparative Information and Restatement of Prior Period Financial Statements

The significant accounting policies used in the preparation of the condensed consolidated interim financial statements together with the explanations of annual consolidated financial statements for the period 1 January - 31 December 2010 are consistent except for the point indicated below:

The Group performed classifications over its prior period statement of income which are detailed in Note 26 in accordance with the Turkish Financial Reporting Standards 5 "Assets Classified As Held For Sale" ("TFRS 5").

2.2.2 Basis of consolidation

The group continued to apply accounting policies that are stated on the group's 31 December 2010 financial statements.

2.3 Adoption of new and revised standards

a) <u>New and Revised IFRSs affecting presentation and disclosure only</u>

Amendments to IAS 1 Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)

The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendments have been applied retrospectively.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Amendments to IFRS 7 Financial Instruments: Disclosures (as part of Improvements to IFRSs issued in 2010)

The amendment encourages qualitative disclosures in the context of the quantitative disclosure required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. The amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans. The amendments have been applied retrospectively.

b) New and Revised IFRSs affecting the reported financial performance and / or balance sheet

None.

c) New and Revised IFRSs applied with no material effect on the consolidated financial statements:

IAS 24 (Revised 2009) ***Related Party Disclosures***

In November 2009, IAS 24 Related Party Disclosures was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011.

IAS 32 (Amendments) ***Financial Instruments: Presentation*** **and IAS 1** ***Presentation of Financial Statements***

The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

IFRS 1 (amendments) ***First-time Adoption of IFRS – Additional Exemptions and Two Other Amendments***

Amendments to IFRS 1 which are effective for annual periods on or after 1 July 2010 provide limited exemption for first time adopters to present comparative IFRS 7 fair value disclosures.

IFRIC 14 (Amendments) ***Pre-payment of a Minimum Funding Requirement***

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made.

IFRIC 19 ***Extinguishing Financial Liabilities with Equity Instruments***

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability.

Annual Improvements May 2010

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRSs in May 2010 that cover 5 main standards/intepretations as follow: IFRS 1 *First-time Adoption of International Financial Reporting Standards*; IFRS 3 *Business Combinations;* IAS 27 *Consolidated and Separate Financial Statements*; IAS 34 *Interim Financial Reporting* and IFRIC 13 *Customer Loyalty Programmes*. With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011.

The related standards, changes and the comments did not have any significant effect on the Group's financial performance or financial position.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Adoption of new and revised standards (Continued)

d) New and Revised IFRSs in issue but not yet effective

IFRS 1 (amendments) ***First-time Adoption of IFRS – Two Amendments***

On 20 December, IFRS 1 is amended to;

- provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs.

- provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time.

The amendment above will be effective for annual periods beginning on or after 1 July 2011. These amendments are not relevant to the Group, as it is an existing IFRS preparer.

IFRS 7 ***Financial Instruments: Disclosures***

In October 2010, IFRS 7 *Financial Instruments: Disclosures* is amended by IASB as part of its comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment will be effective for annual periods beginning on or after 1 July 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 9 ***Financial Instruments: Classification and Measurement***

In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 *Financial Instruments: Recognition and Measurement*. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not had an opportunity to consider the potential impact of the adoption of this standard.

IAS 12 ***Income Taxes***

In December 2010, IAS 12 is amended. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 *Investment Property*. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be , be through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 10 ***Consolidated Financial Statements***

IFRS 10 replaces the consolidation guidance in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation — Special Purpose Entities* by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities). Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

NOTE 2 - BASIS BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Adoption of new and revised standards (Continued)

d) <u>New and Revised IFRSs in issue but not yet effective (Continued)</u>

IFRS 11 *Joint Arrangements*

IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 *Interests in Joint Ventures*. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 12 *Disclosure of Interest In Other Entities*

IFRS 12 requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 27 *Separate Financial Statements* (2011)

The requirements relating to separate financial statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

IAS 28 *Investments in Associates and Joint Ventures* (2011)

IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

IFRS 13 *Fair Value Measurements*

On 12 May 2011, IASB issued IFRS 13 Fair Value Measurement, which establishes a single source of guidance for fair value measurement under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements for discloures on fair value measurements. The Standard does not include requirements on when fair value measurements is required; it prescribes how fair value is to be measured if another Standard requires it. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 1 *Presentation of Financial Statements (2011) – Presentation of Items of Other Comprehensive Income*

The amendments to IAS 1 provides guidance on the presentation of items contained in other comprehensive income (OCI) and their classification within OCI. The new standard is mandatory for annual periods beginning on or after 1 July 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 19 *Employee Benefits (2011) (the "amendments")*

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING

Management determines the operating segments based on the reports reviewed by the board of directors, which are found effective in strategic decision making.

Management assesses the Group's performance on a geographic level as Turkey and other countries since the gross sales of these subsidiaries are below 10% of the Group sales. Reportable operating segment revenue comprises primarily retail sales, rent income and wholesales. Rent income and wholesale revenues are not recognized as reportable segments as they are not stated in detail in the reports provided to the board of directors. The board of directors assesses the performance of the operating segments based on a measure of Earning Before Interest, Tax, Depreciation and Amortisation, "EBITDA".

The segment information provided to the board of directors as of 30 September 2011 is as follows:

a) Segment analysis for the period 1 January – 30 September 2011

	Turkey	**Other countries**	**Combined total**	**Intersegment elimination**	**Total**	**Discontinued operations**
External revenues	4.008.308	244.895	4.253.203	-	4.253.203	678.010
Inter segment revenues	2.288	-	2.288	(2.288)	-	-
						-
Sales revenue	4.010.596	244.895	4.255.491	(2.288)	4.253.203	678.010
Cost of goods sold	(2.967.895)	(187.518)	(3.155.413)	2.288	(3.153.125)	(577.072)
Gross profit	1.042.701	57.377	1.100.078	-	1.100.078	100.938
Selling and marketing expenses	(725.246)	(32.832)	(758.078)	-	(758.078)	(155.635)
General administrative expenses	(134.794)	(19.941)	(154.735)	-	(154.735)	(11.398)
Addition: Depreciation and amortization	80.070	11.794	91.864	-	91.864	6.302
Addition: Employment termination benefits	906	-	906	-	906	(21)
Addition: Unused vacation provision	6.816	-	6.816	-	6.816	707
Addition: One-off costs due to Şok stores concept change	-	-	-	-	-	8.400
EBITDA	**270.453**	**16.398**	**286.851**	**-**	**286.851**	**(50.707)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

b) Segment analysis for the period 1 January – 30 September 2010

	Turkey	Other countries	Combined total	Intersegment elimination	Total	Discontinued operations
External revenues	3.661.130	187.033	3.848.163	-	3.848.163	913.980
Inter segment revenues	6.209	-	6.209	(6.209)	-	-
Sales revenue	3.667.339	187.033	3.854.372	(6.209)	3.848.163	913.980
Cost of goods sold	(2.730.289)	(141.275)	(2.871.564)	6.209	(2.865.355)	(726.898)
Gross profit	937.050	45.758	982.808	-	982.808	187.082
Selling and marketing expenses	(645.717)	(22.518)	(668.235)	-	(668.235)	(179.834)
General administrative expenses	(129.993)	(19.162)	(149.155)	-	(149.155)	(14.096)
Addition: Depreciation and amortization	76.893	11.331	88.224	-	88.224	8.154
Addition: Employment termination benefits	(3.737)	-	(3.737)	-	(3.737)	52
Addition: Unused vacation provision	1.758	-	1.758	-	1.758	2.499
EBITDA	**236.254**	**15.409**	**251.663**	**-**	**251.663**	**3.857**

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NOTE 3 - SEGMENT REPORTING (Continued)

c) Segment analysis for the period 1 July – 30 September 2011

	Turkey	**Other countries**	**Combined total**	**Intersegment elimination**	**Total**	**Discontinued operations**
External revenues	1.524.986	88.349	1.613.335	-	1.613.335	101.767
Inter segment revenues	244	-	244	(244)	-	-
Sales revenue	1.525.230	88.349	1.613.579	(244)	1.613.335	101.767
Cost of goods sold	(1.139.928)	(67.323)	(1.207.251)	244	(1.207.007)	(99.039)
Gross profit	385.302	21.026	406.328	-	406.328	2.728
Selling and marketing expenses	(262.841)	(11.314)	(274.155)	-	(274.155)	(26.679)
General administrative expenses	(45.559)	(7.608)	(53.167)	-	(53.167)	(2.116)
Addition: Depreciation and amortization	27.255	4.808	32.063	-	32.063	900
Addition: Employment termination benefits	95	-	95	-	95	(34)
Addition: Unused vacation provision	2.834	-	2.834	-	2.834	600
Addition: One-off costs due to Şok stores concept change	-	-	-	-	-	-
EBITDA	**107.086**	**6.912**	**113.998**	**-**	**113.998**	**(24.601)**

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NOTE 3 - SEGMENT REPORTING (Continued)

d) Segment analysis for the period 1 July – 30 September 2010

	Turkey	Other countries	Combined total	Intersegment elimination	Total	Discontinued operations
External revenues	1.399.278	65.283	1.464.561	-	1.464.561	325.685
Inter segment revenues	1.370	-	1.370	(1.370)	-	-
Sales revenue	1.400.648	65.283	1.465.931	(1.370)	1.464.561	325.685
Cost of goods sold	(1.047.512)	(49.240)	(1.096.752)	1.370	(1.095.382)	(262.088)
Gross profit	353.136	16.043	369.179	-	369.179	63.597
Selling and marketing expenses	(236.776)	(8.368)	(245.144)	-	(245.144)	(67.897)
General administrative expenses	(43.631)	(6.348)	(49.979)	-	(49.979)	(4.627)
Addition: Depreciation and amortization	26.199	3.925	30.124	-	30.124	2.718
Addition: Employment termination benefits	(436)	-	(436)	-	(436)	17
Addition: Unused vacation provision	(896)	-	(896)	-	(896)	833
EBITDA	**97.596**	**5.252**	**102.848**	**-**	**102.848**	**(5.359)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

Reconciliation of EBITDA with income before tax is as follows:

	1 January- 30 September 2011	**1 July- 30 September 2011**	**1 January- 30 September 2010**	**1 July- 30 September 2010**
EBITDA, reported segments	286.851	113.998	251.663	102.848
Depreciation and amortisation	(91.864)	(32.063)	(88.224)	(30.124)
Employment termination benefits	(906)	(95)	3.737	436
Provision of unused vacation	(6.816)	(2.834)	(1.758)	896
Other operating income	6.630	859	10.674	3.620
Other operating expenses (-)	(18.908)	(2.110)	(10.278)	(3.082)
Operating profit	**174.987**	**77.755**	**165.814**	**74.594**
Financial income	174.240	48.659	258.974	(50.223)
Financial expense (-)	(743.003)	(264.938)	(279.338)	(48.507)
Income before tax	**(393.776)**	**(138.524)**	**145.450**	**(24.136)**

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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

Short-term derivative financial instruments

Liabilities	**30 September 2011**	**31 December 2010**
Interest rate collar contracts	-	8.378
Forward foreign exchange contracts	22.632	35.039
	22.632	**43.417**

Long-term derivative financial instruments

Long-term assets	**30 September 2011**	**31 December 2010**
Corridor options	135	711
Interest rate swap contracts	-	3.658
CAP options	15	258
	150	**4.627**

Long-term liabilities	**30 September 2011**	**31 December 2010**
Forward foreign exchange contracts	16.276	41.856
Interest rate swap contracts	3.607	-
	19.883	**41.856**

The Group entered into a number of forward currency exchange contracts with banks in order to hedge its exchange rate risk. As at the settlement date, the Group sells TL and purchases Euro at agreed strike prices. The fair values of the foreign exchange contracts as of 30 September 2011 which extend until year 2013 are as follows:

	EURO Amount to be purchased	**TL Amount to be sold**	**Fair Value (TL)**
	71.430	225.295	38.908

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The Group entered into the following interest rate swap, collar, cap and corridor contracts with banks in order to hedge its interest rate risk. The contracts details and their fair values at 30 September 2011 are as follows:

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument Amount (EUR)	Fair Value TL
Corridor	26 August 2009	31 May 2011	30 November 2012	300 million	135
Cap	26 August 2009	31 May 2011	30 November 2012	125 million	15
					150

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument Amount (EUR)	Fair Value TL
Interest rate swap	6 October 2010	30 November 2011	29 November 2013	105 million	1.225
Interest rate swap	6 October 2010	31 May 2011	30 November 2013	105 million	980
Interest rate swap	6 October 2010	31 May 2011	29 November 2013	53 million	663
Interest rate swap	6 October 2010	30 November 2011	30 November 2013	53 million	739
					3.607

The fair values of the foreign exchange contracts as of 31 December 2010 which extend until year 2013 are as follows:

	EURO Amount to be purchased	TL Amount to be sold	Fair value (TL)
	98.510	299.745	76.895

The Group entered into the following interest rate swap, collar, cap and corridor contracts with banks in order to hedge its interest rate risk. The contracts details and their fair values at 31 December 2010 are as follows:

31 December 2010

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument Amount (EUR)	Fair Value TL
Collar	9 July 2008	28 August 2008	31 May 2011	190 million	5.368
Collar	6 November 2008	27 February 2009	31 May 2011	210 million	3.010
					8.378
Corridor	26 August 2009	31 May 2011	30 November 2012	300 million	711
Cap	26 August 2009	31 May 2011	30 November 2012	125 million	258
Interest rate swap	6 October 2010	30 November 2011	29 November 2013	105 million	1.328
Interest rate swap	6 October 2010	31 May 2011	30 November 2013	105 million	1.183
Interest rate swap	6 October 2010	31 May 2011	29 November 2013	53 million	574
Interest rate swap	6 October 2010	30 November 2011	30 November 2013	53 million	573
					4.627

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NOTE 5 - INVESTMENT PROPERTY

	Opening 1 January 2011	Additions	Transfers	Cumulative translation differences	Closing 30 September 2011
Cost					
Land and buildings	67.229	218	-	4.879	72.326
Accumulated depreciation					
Land and buildings	(15.036)	(3.750)	-	(622)	(19.408)
Net book value	**52.193**				**52.918**

	Opening 1 January 2010	Additions	Transfers	Cumulative translation differences	Closing 30 September 2010
Cost					
Land and buildings	66.534	315	717	(1.543)	66.023
Accumulated depreciation					
Land and buildings	(9.593)	(4.041)	(84)	169	(13.549)
Net book value	**56.941**				**52.474**

Depreciation expenses of the period are recorded in general administrative expenses.

Investment properties of the Group consist of space rented to other retailers in Samal shopping mall and Tastak store in Kazakhstan and in Skopje in Macedonia. At 30 September 2011, total investment property of the Group in Kazakhstan and Macedonia are 7.469 square meters and 8.740 square meters, respectively (31 December 2010: 7.551 square meters in Kazakhstan, 9.082 square meters in Macedonia).

Fair value of investment properties in Kazakhstan and in Macedonia are TL 67.780 and TL 63.649 respectively. This value is determined by using discounted cash flow valuation method.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

	Opening 1 January 2011	Additions	Disposals	Impairment loss (*)	Transfers	Disposals from sale of a subsidiary(**)	Transfers to investments properties (Note 5)	Cumulative translation differences	Closing 30 September 2011
Cost									
Land and buildings	471.028	893	-	-	20.714	(25.978)	-	9.160	475.817
Leasehold improvements	454.066	20.707	-	(11.426)	10.977	(63.314)	-	3.085	414.095
Machinery and equipments	345.138	24.511	(2.752)	-	7.312	(87.359)	-	3.994	290.844
Vehichles	2.778	26	(44)	-	6.483	(188)	-	99	9.154
Furniture and fixture	157.248	12.514	(1.166)	-	-	(17.468)	-	3.133	154.261
Construction in progress	8.110	46.915	-	-	(45.486)	(77)	-	15	9.477
	1.438.368	**105.566**	**(3.962)**	**(11.426)**	**-**	**(194.384)**	**-**	**19.486**	**1.353.648**
Accumulated depreciation									
Land and buildings	(26.170)	(6.698)	-	-	-	5.171	-	(645)	(28.342)
Leasehold improvements	(119.063)	(34.790)	-	5.827	-	28.878	-	(1.841)	(120.989)
Machinery and equipments	(65.931)	(32.110)	2.647	-	-	28.906	-	(1.601)	(68.089)
Vehichles	(463)	(360)	-	-	-	101	-	(32)	(754)
Furniture and fixture	(32.850)	(12.472)	1.146	-	-	7.099	-	(1.681)	(38.758)
	(244.477)	**(86.430)**	**3.793**	**5.827**	**-**	**70.155**	**-**	**(5.800)**	**(256.932)**
Net book value	**1.193.891**								**1.096.716**

(*) Impairment loss amounted to net TL 5.599 consists of leasehold improvements of stores closed in 2011.
(**) Disposals from the sale of subsidiary is related with the Group's sales of Azerbaijan Ramstore and Şok Marketler Ticaret A.Ş. stores.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	Opening 1 January 2010	Additions	Disposals	Impairment loss (*)	Transfers	Disposals from sale of a subsidiary	Transfers to investments properties (Note 5)	Cumulative translation differences	Closing 30 September 2010
Cost									
Land and buildings	466.224	2.646	(599)	-	2.359	-	(717)	(2.349)	467.564
Leasehold improvements	383.862	23.654	-	(5.090)	11.748	3.970	-	(258)	417.886
Machinery and equipments	251.638	38.078	(6.142)	-	15.997	-	-	(552)	299.019
Vehichles	529	1.111	(15)	-	82	-	-	(17)	1.690
Furniture and fixture	125.542	13.679	(253)	-	3.974	3.526	-	(606)	145.862
Construction in progress	2.981	49.831	(76)	-	(34.160)	-	-	-	18.576
	1.230.776	**128.999**	**(7.085)**	**(5.090)**	**-**	**7.496**	**(717)**	**(3.782)**	**1.350.597**
Accumulated depreciation									
Buildings	(16.262)	(7.379)	294	-	-	-	84	373	(22.890)
Leasehold improvements	(75.847)	(36.476)	-	3.160	-	-	-	50	(109.113)
Machinery and equipments	(40.609)	(28.369)	5.375	-	-	-	-	(827)	(64.430)
Vehichles	(199)	(119)	-	-	-	-	-	(20)	(338)
Furniture and fixture	(18.165)	(11.164)	214	-	-	-	-	1.530	(27.585)
	(151.082)	**(83.507)**	**5.883**	**3.160**	**-**	**-**	**84**	**1.106**	**(224.356)**
Net book value	**1.079.694**								**1.126.241**

(*) Impairment loss amounted to net TL 1.930 consists of leasehold improvements of stores closed in 2010.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Assets leased under financial lease agreement, which are included in property, plant and equipment comprise machinery and equipment with net book values as stated below:

	30 September 2011	31 December 2010
Net book value	346	394

NOTE 7 - INTANGIBLE ASSETS

	Opening 1 January 2011	Additions	Disposals	Disposals from sale of a subsidiary	Cumulative translation difference	Closing 30 September 2011
Cost						
Trademark(*)	253.068	-	-	(50.893)	-	202.175
Rent agreements (**)	32.982	-	-	-	-	32.982
Rights	20.975	4.898	(295)	(1.519)	332	24.391
Other intangible assets (***)	28.783	-	-	-	-	28.783
	335.808	**4.898**	**(295)**	**(52.412)**	**332**	**288.331**
Accumulated amortisation						
Rent agreements	(15.626)	(3.381)	-	-	-	(19.007)
Rights	(9.007)	(3.445)	293	553	(97)	(11.703)
Other intangible assets	(6.389)	(2.017)	-	-	-	(8.406)
	(31.022)	**(8.843)**	**293**	**553**	**(97)**	**(39.116)**
Net book value	**304.786**					**249.215**

	Opening 1 January 2010	Additions	Disposals	Disposals from sale of a subsidiary	Cumulative translation difference	Closing 30 September 2010
Cost						
Trademark(*)	253.068	-	-	-	-	253.068
Rent agreements (**)	32.982	-	-	-	-	32.982
Rights	15.359	1.673	(23)	-	171	17.180
Other intangible assets (***)	28.783	-	-	-	-	28.783
	330.192	**1.673**	**(23)**	**-**	**171**	**332.013**
Accumulated amortisation						
Rent agreements	(10.131)	(4.121)	-	-	-	(14.252)
Rights	(5.441)	(2.613)	-	-	13	(8.041)
Other intangible assets	(2.881)	(2.095)	-	-	-	(4.976)
	(18.453)	**(8.829)**	**-**	**-**	**13**	**(27.269)**
Net book value	**311.739**					**304.744**

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NOTE 7 - INTANGIBLE ASSETS (Continued)

(*) IFRS 3, "Business Combinations", requires the acquirer at the acquisition date to allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values as at that date.

The fair value of Tansaş trademark which were considered as an identifiable intangible asset by the Group was determined by the relief from royalties method and estimated the fair value of the trademarks in the amount of TL 202.175 at the acquisition date 30 May 2008. Those amounts have been accounted for as an intangible asset and assets classified as held for sale respectively in the consolidated financial statements. Since the trademark does not have a definite useful life and it is foreseen that certain expenses will be incurred each year in order to maintain its value, it is considered as an intangible asset with an indefinite useful life and therefore has not been amortised. Additionally, Migros assesses the intangible assets with indefinite useful lives annually for any indication of impairment.

(**) The Group determined the value of the benefit derived from the lease contracts of MMM and Maxi stores, which were designated as intangible assets, at an amount of TL 32.982 and was accounted for under the intangible assets in the consolidated financial statements. Lease contracts are recorded at their fair values at the date of purchase, and amortised during the contract period.

(***) On 24 July 2008, the Group purchased all of the furniture and fixtures of a local retail chain named as Maxi Market at Silivri, Tekirdag and Çengelköy stores, with a total sales area of 13.000 square metres, from Hamoglu Yönetim Organizasyonu Personel Taşımacılık ve Yemek Üretim Hizmetleri İsletmecilik A.Ş. and also took over the rent agreements of the mentioned stores. The excess amount of the consideration given over the fair value of acquired assets in the amount of TL 10.297 was accounted for under other intangible assets and will be amortised over the rent agreement period.

On 10 March 2009, the Group purchased all of the furniture and fixtures of 7 stores belonging to Mak Gıda Pazarlama San. ve Tic. A.Ş.,a local retail chain operating in Gaziantep region, with a total sales area of 9.592 square metres and on 12 February 2009 the Group purchased all of the furniture and fixtures of 21 stores belonging to Yonca Marketçilik ve İnş. Hiz. San. ve Tic. A.Ş. ("Yonca"), a local retail chain mainly operating in Adana region, with a total sales area of 17.480 square metres and also took over the rent agreements of the mentioned stores. The excess amount of the consideration given over the fair value of acquired assets in the total amount of TL 18.486, TL 601 for the Mak Gıda and TL17.885 for Yonca, respectively- was accounted for under other intangible assets and will be amortised over the rent agreement period.

NOTE 8- INVENTORIES

	30 September 2011	**31 December 2010**
Raw materials	1.731	1.740
Work in progress	5.304	8.666
Merchandise stocks	640.561	733.129
Other	2.756	3.055
	650.352	**746.590**

The Group valued the cost value of inventories over the most recent purchase price.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 9 – GOODWILL

Goodwill movement in the accounting periods is as follows:

	1 January - 30 September 2011	1 January - 30 September 2010
Opening balance	**2.251.427**	**2.239.210**
Ending balance	**2.251.427**	**2.251.427**

Business consolidations:

On 31 May 2011, Amaç Gıda San. ve Tic. A.Ş., Ades Gıda San. Ve Tic. A.Ş. and Egeden Gıda Tüketim Malları Tic. ve San. A.Ş. have merged with Migros Tic. A.Ş.

a) Business acquisitions

	Main	Acquisition	Share	Acquisition
Ades Gıda San. ve Tic. A.Ş.	Retail	31 July 2010	100%	10.894
Amaç Gıda Tic. ve San. A.Ş.	Retail	31 July 2010	100%	1.363
Egeden Gıda Tüketim Malları Tic. ve San. A.Ş.	Retail	31 July 2010	100%	2.629

b) Net assets acquired

On 31 July 2010, company acquired %99,996 of the shares of Ades Gıda San. ve Tic. A.Ş. by TL 10.894. Related transactions were accounted by acquisition method.

Net assets acquired by the acquisition are as follows:

	Book Value Before Combination	Fair Value Adjustments	Fair Value
Assets Acquired (Net)	11.824	-	11.824
Property, plant and equipment	5.954	(1.259)	4.695
Deferred tax assets	-	252	252
Payables and expense accruals	(17.562)	-	(17.562)
Net Assets Acquired	216	(1.007)	(791)
Total Consideration			100%
Net Assets Acquired			(791)
Satisfied by receivables and payables			10.894
Goodwill			11.685
Cash and cash equivalents consideration			171
			171

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 9 – GOODWILL (Continued)

b) Net assets acquired (continued)

On 31 July 2010, Company acquired %99,9996 of the shares of Amaç Gıda San. ve Tic. A.Ş. by TL 1.363. Related transactions were accounted by acquisition method.

	Book Value Before Combination	Fair Value Adjustments	Fair Value
Assets Acquired (Net)	4.714	-	4.714
Property, plant and equipment	316	563	879
Deferred tax liabilities	-	(109)	(109)
Payables and expense accruals	(4.264)	-	(4.264)
Net Assets Acquired	766	454	1.220
Total Consideration			100%
Net Assets Acquired			1.220
Satisfied by receivables and payables			1.363
Goodwill			143
Cash and cash equivalents consideration			61
			61

On 31 July 2010, company acquired %99,998 of the shares of Egeden Gıda Tüketim Malları Tic. A.Ş. by 2.629 TL. Related transactions were accounted by acquisition method.

Net assets acquired by the acquisition are as follows:

	Book Value Before Combination	Fair Value Adjustments	Fair Value
Assets Acquired (Net)	3.310	-	3.310
Property, plant and equipment	1.649	273	1.922
Deferred tax assets	-	(55)	(55)
Payables and expense accruals	(2.937)	-	(2.937)
Net Assets Acquired	2.022	218	2.240
Total Consideration			100%
Net Assets Acquired			2.240
Satisfied by receivables			2.629
Goodwill			389
Cash and cash equivalents consideration			40
			40

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 10 – FINANCIAL LIABILITIES

	30 September 2011			
	Weigted average interest rate	**USD**	**Euro**	**Total TL equivalent**
Current portion of long-term bank borrowings				
-with fixed interest rates	2,00%	-	135	340
-with floating interest rates	5,66%	-	21.200	53.333
Other financial liabilities	-	256	-	472
Current portion of long-term bank borrowings		**256**	**21.335**	**54.145**
Long-term bank borrowings				
-with fixed interest rates	2,00%	-	620	1.560
-with floating interest rates	5,66%	-	1.052.681	2.648.230
Long-term bank borrowings		**-**	**1.053.301**	**2.649.790**
Total bank borrowings		**256**	**1.074.636**	**2.703.935**

The redemption schedule of long-term bank borrowings at 30 September 2011 is as follows:

	Euro	**TL**
1 October 2012 - 30 September 2013	124	312
1 October 2013 - 30 September 2014	140.022	352.254
1 October 2014 - 30 September 2015	163.957	412.466
1 October 2015 - 30 September 2016	234.171	589.104
1 October 2016 - 30 September 2017	234.171	589.104
1 October 2017 and over	280.856	706.550
	1.053.301	**2.649.790**

The fair value of bank borrowings at 30 September 2011 is 2.673.056 TL.

Within the context of the "Facilities Agreement" signed with various financial institutions on 13 February 2008, considering the current market conditions and future plans, on 5 September 2011, the Group made an early payment of 100 Million Euro and its accrued interest, which reduced the remaining instalments in chronological order of the remaining loan of 1.152,7 Million Euro with 3,95+Euribor interest rates and 10 years maturity as of 30 June 2011. The outstanding capital payable regarding the mentioned "Facilities Agreement" as of 30 September 2011 is 1.052,7 Million Euro. The current portion of the long-term bank borrowings with floating interest rates in the table above only includes interest accruals.

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 10 – FINANCIAL LIABILITIES (Continued)

	31 December 2010			
	Weigted average interest rate	**USD**	**Euro**	**Total TL equivalent**
Current portion of long-term bank borrowings				
-with fixed interest rates	2,00%	-	124	254
-with floating interest rates	5,21%	-	28.860	59.137
Other financial liabilities	-	1.120	-	1.731
Current portion of long-term bank borrowings		**1.120**	**28.984**	**61.122**
Long-term bank borrowings				
-with fixed interest rates	2,00%	-	620	1.270
-with floating interest rates	5,21%	-	1.135.128	2.325.991
Long-term bank borrowings		**-**	**1.135.748**	**2.327.261**
Total bank borrowings		**1.120**	**1.164.732**	**2.388.383**

The redemption schedule of long-term bank borrowings at 31 December 2010 is as follows:

	Euro	**TL**
1 January 2012 - 31 December 2012	46.933	96.170
1 January 2013 - 31 December 2013	93.743	192.089
1 January 2014 - 31 December 2014	163.957	335.964
1 January 2015 - 31 December 2015	199.064	407.902
1 January 2016 - 31 December 2016	234.171	479.840
1 January 2017 and over	397.880	815.296
	1.135.748	**2.327.261**

The fair value of bank borrowings at 31 December 2010 is TL 2.358.130.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions:

	30 September 2011	31 December 2010
Provision for litigation	18.385	16.632
Provision for unused vacation	32.068	31.565
	50.453	48.197

There are various lawsuits filed against or in favor of the Group. Receivables, rent or labor disputes constitute the majority of these lawsuits. The Group management estimates the outcomes of these lawsuits and estimates their financial impact according to which the necessary provisions are accounted.

Movement of provision for lawsuits as follows:

1 January 2010	17.408
Increase during the period	3.324
Payments during the period	(3.179)
30 September 2010	**17.553**
1 January 2011	16.632
Increase during the period	3.789
Payments during the period	(2.036)
30 September 2011	**18.385**

Movement of provision for unused vacation in period is as follows:

1 January 2010	25.609
Increase during the period	7.567
Payments during the period	(3.310)
30 September 2010	**29.866**
1 January 2011	31.565
Increase during the period	12.294
Payments during the period	(4.771)
Disposals from sale of subsidiary	(7.020)
30 September 2011	**32.068**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

a) Guarantees given as at 30 September 2011 and 31 December 2010 are as follows:

Collaterals, Pledges, Mortgages

30 September 2011				
Collaterals, Pledges, Mortgages	**Total TL Amount**	**TL**	**USD**	**Euro**
A. CPM given on behalf of the Company's own legal entity	54.869	53.935	472	25
B. CPM given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-
D. Total amount of other CPM				
i. Total amount of CPM given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given on behalf of third parties which are not in scope of C	-	-	-	-
Total Collaterals, Pledges, Mortgages	**54.869**	**53.935**	**472**	**25**
Proportion of CRM's to equity	**0,0%**			

31 December 2010				
Collaterals, Pledges, Mortgages	**Total TL Amount**	**TL**	**USD**	**Euro**
A. CPM given on behalf of the Company's own legal entity	54.124	53.459	397	25
B. CPM given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-
D. Total amount of other CPM	-	-	-	-
i. Total amount of CPM given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given on behalf of third parties which are not in scope of C	-	-	-	-
Total Collaterals, Pledges, Mortgages	**54.124**	**53.459**	**397**	**25**
Proportion of CRM's to equity	**0,0%**			

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Commitments, contingent assets and liabilities (continued):

a) Guarantees given at 30 September 2011 and 31 December 2010 are as follows:

	30 September 2011	31 December 2010
Letters of guarantees given	54.869	54.124

b) Guarantees taken at 30 September 2011 and 31 December 2010 are as follows:

	30 September 2011	31 December 2010
Guarantees obtained from customers	91.539	83.385
Mortgages	15.595	14.383
	107.134	**97.768**

c) The future aggregate minimum lease payments under non-cancellable operating leases of land and stores are as follows.

	30 September 2011	31 December 2010
Payable within 1 year	27.762	41.406
Payable in 1 to 5 years	12.274	7.379
5 years and more	4.013	46
	44.050	**48.831**

d) Tax legislations in Kazakhstan are subject to different manners of interpretation; therefore, it alters frequently. Accordingly, the interpretation of tax implications regarding the operations of Ramstore Kazakhstan by the tax authorities may differ from the interpretation of the management, which might lead to additional tax burden, related penalties and interest payments. Tax authorities in Kazakhstan maintain the right to inspect the accounts for the past five fiscal years.

e) Yeni Gimat İşyerleri İşletmesi A.Ş. ("Yeni Gimat") has filed an action of debt regarding the claim of rent difference of the immovable rented to Migros Ticaret amounting TL 38.583 which covers the period from 14 June 2001 to the date of trial, 12 June 2009. The Group management has not booked any provision at the 30 September 2011 condensed consolidated interim financial statements due to the fact that related increases have been made with taking into consideration of rates determined regarding rent increases during the years 2000 and 2001 added as of 16 February 2000 and also as of 30 September 2011 it is seen as a far possibility to be obliged to pay the alleged missing rent payments and overdue interest.

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NOTE 12 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	30 September 2011	31 December 2010
Provision for employee termination benefits	10.617	10.269

Movements in the provision for employment termination benefits are as follows:

1 January 2010	13.974
Increase during the period	3.312
Payments during the period	(6.820)
Addition from purchase of subsidiary	210
Actuarial loss	(177)
30 September 2010	**10.499**
1 January 2011	10.269
Increase during the period	11.440
Payments during the period	(10.453)
Actuarial loss	(101)
Disposals from sale of subsidiary	(538)
30 September 2011	**10.617**

NOTE 13 - REVENUE AND COST OF SALES

	1 January- 30 September 2011	1 July- 30 September 2011	1 January- 30 September 2010	1 July- 30 September 2010
Domestic sales	4.120.753	1.565.797	3.754.366	1.438.534
Foreign sales	245.477	88.587	186.886	64.917
	4.366.230	**1.654.384**	**3.941.252**	**1.503.451**
Other sales	5.285	2.253	2.535	1.381
	4.371.515	**1.656.637**	**3.943.787**	**1.504.832**
Less: Discounts and returns	(118.312)	(43.302)	(95.624)	(40.271)
Sales revenue -net	**4.253.203**	**1.613.335**	**3.848.163**	**1.464.561**
Cost of sales	(3.153.125)	(1.207.007)	(2.865.355)	(1.095.382)
Gross Profit	**1.100.078**	**406.328**	**982.808**	**369.179**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 13 - REVENUE AND COST OF SALES (Continued)

Details of domestic and foreign sales before other sales, discounts and returns are as follows:

	1 January- 30 September 2011	1 July- 30 September 2011	1 January- 30 September 2010	1 July- 30 September 2010
Retail sales revenue	4.202.875	1.591.761	3.806.857	1.445.444
Rent income	73.955	22.042	70.797	24.506
Wholesale revenue	89.400	40.581	63.598	33.501
	4.366.230	**1.654.384**	**3.941.252**	**1.503.451**

NOTE 14 - EXPENSES BY NATURE

Total	1 January - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2011	1 July - 30 September 2010
Staff costs	353.241	302.446	124.971	105.666
Rent	178.799	146.706	64.718	54.661
Porterage and cleaning	25.472	27.777	9.130	8.594
Transportation	42.324	41.411	15.935	15.856
Depreciation and amortisation	91.864	88.224	32.063	30.124
Energy	67.728	63.001	26.311	25.762
Advertising	32.474	30.423	13.268	11.472
Repair, maintenance	14.820	14.151	5.535	4.877
Security	11.486	16.161	3.873	5.238
Warehouse	23.902	22.864	6.785	8.418
Taxes and other fees	6.177	6.718	720	811
Mechanisation	7.254	6.955	2.702	1.553
Communication	6.789	8.009	2.583	3.453
Other	50.483	42.546	18.728	18.640
	912.813	**817.391**	**327.322**	**295.124**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 14 - EXPENSES BY NATURE (Continued)

Marketing, selling and distribution expenses	**1 January - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2011**	**1 July - 30 September 2010**
Staff costs	302.552	254.312	107.285	89.693
Rent	178.752	146.656	64.706	54.645
Porterage and cleaning	24.856	27.565	8.926	8.657
Transportation	42.301	41.366	16.000	15.868
Energy	67.102	62.375	26.072	25.481
Advertising	32.474	30.423	13.268	11.472
Repair, maintenance	14.510	13.912	5.410	4.796
Security	11.192	15.807	3.755	5.101
Warehouse	23.902	22.864	6.785	8.418
Taxes and other fees	5.273	4.859	749	544
Mechanisation	6.165	6.044	2.052	1.194
Communication	5.369	6.501	2.064	2.843
Other	43.630	35.553	17.083	16.434
	758.078	**668.236**	**274.155**	**245.145**

General administrative expenses	**1 January - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2011**	**1 July - 30 September 2010**
Staff costs	50.689	48.133	17.686	15.972
Depreciation and amortisation	91.864	88.224	32.063	30.124
Other	12.182	12.798	3.418	3.883
	154.735	**149.155**	**53.167**	**49.979**

Expenses by nature in cost of sales for the periods 1 January – 30 September 2011 and 2010 are as follows:

	1 January- 30 September 2011	**1 July- 30 September 2011**	**1 January- 30 September 2010**	**1 July- 30 September 2010**
Cost of trade goods	(3.125.322)	(1.202.736)	(2.830.883)	(1.083.691)
Service costs	(27.803)	(4.271)	(34.472)	(11.691)
	(3.153.125)	**(1.207.007)**	**(2.865.355)**	**(1.095.382)**

Cost of trade goods include discounts, incentives and volume rebates obtained from suppliers. Service costs are formed of rent, energy, advertising, cleaning, security and administrative expenses incurred in the Group's shopping malls.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 15 - OTHER OPERATING INCOME / EXPENSE

Other operating income:	1 January- 30 September 2011	1 July- 30 September 2011	1 January- 30 September 2010	1 July- 30 September 2010
Gain on sales of scrap goods	1.096	673	1.082	471
Provision write-off	1.152	35	799	105
Gain on sales of plant, property and equipment	593	(184)	3.489	318
Other	3.789	335	5.304	2.726
	6.630	**859**	**10.674**	**3.620**

Other operating expenses:	1 January- 30 September 2011	1 July- 30 September 2011	1 January- 30 September 2010	1 July- 30 September 2010
Losses from closed stores	(3.783)	1.182	(1.930)	(1.026)
Bad debt expense	(1.048)	(520)	(1.680)	(222)
Litigation expenses paid	(2.036)	(194)	(3.179)	(675)
Litigation provisions	(1.753)	1.015	(145)	731
Loss on sale of fixed assets	(165)	(53)	(840)	(68)
Other	(10.123)	(3.540)	(2.504)	(1.822)
	(18.908)	**(2.110)**	**(10.278)**	**(3.082)**

NOTE 16 - FINANCIAL INCOME

	1 January- 30 September 2011	1 July- 30 September 2011	1 January- 30 September 2010	1 July- 30 September 2010
Interest income on bank deposits	22.752	10.822	19.796	6.076
Foreign exchange gains	84.823	33.154	217.441	(61.394)
Financial income on derivatives	53.582	(296)	7.170	(380)
Due date charges on term sales	12.867	4.974	12.148	4.846
Other	216	5	2.419	629
	174.240	**48.659**	**258.974**	**(50.223)**

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NOTE 17 - FINANCIAL EXPENSE

	1 January- 30 September 2011	1 July- 30 September 2011	1 January- 30 September 2010	1 July- 30 September 2010
Due date difference on term purchases	(50.424)	(19.940)	(45.371)	(19.667)
Foreign exchange losses	(536.256)	(188.483)	(72.974)	9.131
Interest expense on bank borrowings	(120.578)	(44.921)	(89.472)	(30.996)
Financial expense on derivatives	(30.229)	(8.085)	(70.278)	(6.270)
Other	(5.516)	(3.509)	(1.243)	(705)
	(743.003)	**(264.938)**	**(279.338)**	**(48.507)**

NOTE 18 - TAXES ON INCOME

	30 September 2011	31 December 2010
Taxes and funds payable	102.970	22.893
Less: Prepaid current income taxes	(24.047)	(45.950)
Tax provision, net (*)	**78.923**	**(23.057)**

	30 September 2011	31 December 2010
Deferred tax assets	30.513	34.511
Deferred tax liabilities	(146.144)	(152.922)
	(115.631)	**(118.411)**

(*) The portion of prepaid taxes, which exceed the corporate tax payable as of 31 December 2010 are presented under other receivables.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

In Turkey, corporation tax rate for the year 30 September 2011 is 20% (2010: 20%).

Implied corporation tax rates in Kazakhstan, Bulgaria and Macedonia are 20%, 10% and 10% respectively (31 December 2010: 20%, 10% and 10% respectively).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% in 2010 (2010: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the prior years profit retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. The companies with special accounting periods file their tax returns between 1st-25th of fourth month after fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 18 - TAXES ON INCOME (Continued)

The details of taxation on income for the periods ended 30 September 2011 and 2010 are as follows:

	1 January- 30 September 2011	**1 July- 30 September 2011**	**1 January- 30 September 2010**	**1 July- 30 September 2010**
Current period tax expense	(34.829)	(13.856)	(34.416)	8.173
Deferred tax income / (expense)	(5.209)	868	8.827	(2.740)
	(40.038)	**(12.988)**	**(25.589)**	**5.433**

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is applied as 10% from 24 April 2003 until 22 July 2006. This rate was changed to 15% commencing from 23 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes. Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, investments without investment incentive certificates do not qualify for tax allowance.

Deferred income taxes

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and its statutory tax financial statements. Temporary differences generally arise due to the recording of incomes and expenses in different reporting periods according to Tax Laws and CMB Accounting Standards. Deferred income taxes will be calculated on temporary differences that are expected to be realized or settled based on the taxable income in the coming years under the liability method using a principal tax rate of 20%, 20%, 10% and 10% for Turkey, Kazakhstan, Bulgaria and Macedonia, respectively (31 December 2010: 20%, 20%, 10% and 10% respectively).

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NOTE 18 - TAXES ON INCOME (Continued)

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided as of 30 September 2011 and 31 December 2010 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred income tax assets / (liabilities)	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Fair value change of derivative instruments	42.515	85.273	8.503	17.054
Expense accruals and provisions	77.077	48.197	15.415	9.639
Inventories	11.204	12.176	2.241	2.435
Provision for employment termination benefits	10.617	10.060	2.123	2.012
Unincurred interest income	195	149	39	30
Other	10.959	16.703	2.192	3.341
Deferred income tax assets			**30.513**	**34.511**
Fair value change of derivative instruments	150	4.627	30	925
Property, plant and equipment and intangible assets	747.705	774.337	140.017	147.591
Unincurred interest expense	10.222	9.540	2.044	1.908
Other	19.852	12.494	4.053	2.498
Deferred income tax liability			**146.144**	**152.922**
Total Deferred income tax liability, net			**(115.631)**	**(118.411)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 18 - TAXES ON INCOME (Continued)

Deferred income taxes (continued)

	30 September 2011	31 December 2010
Deferred income tax assets:		
Deferred income tax asset to be recovered after more than 12 months	6.100	10.383
Deferred income tax asset to be recovered within 12 months	24.413	24.128
	30.513	34.511
Deferred income tax liabilities:		
Deferred income tax liability to be settled after more than 12 months	(140.047)	(148.516)
Deferred income tax liability to be settled within 12 months	(6.097)	(4.406)
	(146.144)	(152.922)
Deferred tax liabilities (net)	**(115.631)**	**(118.411)**

Movement of deferred income tax assets and liabilities are as follows:

	Deferred income tax liability
1 January 2010	(116.258)
Current period deferred tax income	8.827
Cumulative translation difference	151
Transfers to liabilities associated with discontinued operations	(678)
30 September 2010	**(107.958)**
1 January 2011	(118.411)
Current period deferred tax expense	(5.209)
Disposal from sale of subsidiary (Note 26)	8.851
Cumulative translation difference	(862)
30 September 2011	**(115.631)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 19 - EQUITY

Share Capital

As of 30 September 2011 the Company's authorised capital consists of 17.803.000.000 shares at 1 shares of KR 1 nominal value. All shares are paid-in and no privileges are given to different share groups and shareholders.

The shareholders of the Company and their shareholdings stated at historical amounts at 30 September 2011 and 31 December 2010 are stated below:

	30 September 2011		31 December 2010	
Shareholders	**Share %**	**Amount**	**Share %**	**Amount**
MH Perakendecilik ve Ticaret A.Ş.	80,51	143.323	97,92	174.323
Other	19,49	34.707	2,08	3.707
	100	**178.030**	**100**	**178.030**

NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(i) Balances with related parties

Due from related parties:	**30 September 2011**	**31 December 2010**
Mavi Jeans Giyim Sanayi ve Tic. A.Ş.	10	6
Tekin Acar Büyük Mağazacılık T.A.Ş.	7	17
Sanal Merkez T.A.Ş.	35	-
Provus Bilişim Hizmetleri A.Ş.	14	-
Total due from related parties	**66**	**23**

Due to related parties:	**30 September 2011**	**31 December 2010**
Şok Marketler T.A.Ş.	-	645
Sanal Merkez T.A.Ş.	475	449
Other	1.142	1.166
Total due to related parties	**1.617**	**2.260**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

ii) Transactions with related parties

	1 January-30 September 2011	1 July-30 September 2011	1 January-30 September 2010	1 July-30 September 2010
Non-current asset purchase:				
Sanal Merkez T.A.Ş	3	1	58	-
	3	**1**	**58**	**-**
Service rendered:				
Sanal Merkez T.A.Ş.	1	-	29	-
	1	**-**	**29**	**-**

iii) Other transactions with related parties are as follows:

	1 January-30 September 2011	1 July-30 September 2011	1 January-30 September 2010	1 July-30 September 2010
Rent income	676	100	872	266
	676	**100**	**872**	**266**

	1 January-30 September 2011	1 July-30 September 2011	1 January-30 September 2010	1 July-30 September 2010
Dividend paid				
MH Perakendecilik A.Ş.	-	-	191.756	191.756
Other	-	-	4.077	4.077
	-	**-**	**195.833**	**195.833**

Key management compensation:

The Group has determined key management personnel as chairman, members of Board of Directors, general manager and vice general managers.

Total compensation provided to key management personnel by Group for the period ended 30 September 2011 and 2010 is as follows:

	1 January-30 September 2011	1 July-30 September 2011	1 January-30 September 2010	1 July-30 September 2010
Short-term benefits to employees	10.242	3.000	13.820	4.609
	10.242	**3.000**	**13.820**	**4.609**

At 30 September 2011 and 2010, compensation paid or payable consists of salaries, benefits, SSI and employer shares and Board of Directors attendance fees.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 21 - EARNINGS / (LOSS) PER SHARE

	1 January- 30 September 2011	1 July- 30 September 2011	1 January- 30 September 2010	1 July- 30 September 2010
Net income / (loss) attributable to the shareholders	(235.708)	91.308	103.132	(30.151)
Weighted average number of shares with Kr 1 face value each ('000)	17.803.000	17.803.000	17.803.000	17.803.000
Earnings / (loss) per share (Kr)	**(1,32)**	**0,51**	**0,58**	**(0,17)**

There is no difference between basic and diluted earnings per share for any of the periods.

NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

The Group is exposed to foreign exchange risk primarily arising from the borrowings denominated in foreign currencies. Aforementioned foreign exchange risk is monitored and limited with derivative instruments.

At 30 September 2011, if Euro had appreciated against TL by 5 % and all other variables had remained constant, the loss for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro would have been more in the amount of TL 113.302.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	30 September 2011			
		Original Currencies		
	Total TL equivalent	USD	Euro	Other Currency
Assets:				
Cash and cash equivalents	461.738	7.759	173.851	10.063
Trade receivables	4.150	388	28	3.364
Other current assets	3.696	1.702	-	555
Total current assets	**469.584**	**9.849**	**173.879**	**13.982**
Other non-current assets	-	-	-	-
Total non-current assets	**-**	**-**	**-**	**-**
Total assets	**469.584**	**9.849**	**173.879**	**13.982**
Short-term borrowings	54.145	256	21.335	-
Trade payables (net)	4.156	8	-	4.141
Other current liabilities	6.047	2.562	2	1.314
Total current liabilities	**64.348**	**2.826**	**21.337**	**5.455**
Long term financial liabilities	2.649.789	-	1.053.301	-
Total non-current liabilities	**2.649.789**	**-**	**1.053.301**	**-**
Total liabilities	**2.714.137**	**2.826**	**1.074.638**	**5.455**
Net balance sheet foreign currency position	**(2.244.553)**	**7.023**	**(900.759)**	**8.527**
Net asset/liability position of off-balance sheet derivatives (A-B)	-	-	-	-
A. Total foreign currency amount of off-balance sheet derivative financial assets	-	-	-	-
B. Total foreign currency amount of off-balance sheet derivative financial liabilities	-	-	-	-
Net foreign currency position	**(2.244.553)**	**7.023**	**(900.759)**	**8.527**
Export	-	-	-	-
Import	47.074	29.056	-	-
Fair value of hedged funds of foreign currency	38.908	-	-	-
Hedged amount of foreign currency assets	-	-	-	-
Hedged amount of foreign currency liabilities	179.696	-	71.430	-

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	31 December 2010			
		Original Currencies		
	Total TL equivalent	**USD**	**Euro**	**Other Currency**
Assets:				
Cash and cash equivalents	453.732	5.089	210.652	14.217
Trade receivables	2.763	195	54	2.351
Other current assets	3.484	1.873	-	589
Total current assets	**459.979**	**7.157**	**210.706**	**17.157**
Other non-current assets	61	39	-	-
Total non-current assets	**61**	**39**	**-**	**-**
Total assets	**460.040**	**7.196**	**210.706**	**17.157**
Short-term borrowings	61.122	1.120	28.984	-
Trade payables (net)	4.861	462	551	3.018
Other current liabilities	6.036	3.283	24	912
Total current liabilities	**72.019**	**4.865**	**29.559**	**3.930**
Long term financial liabilities	2.327.261	-	1.135.748	-
Total non-current liabilities	**2.327.261**	**-**	**1.135.748**	**-**
Total liabilities	**2.399.280**	**4.865**	**1.165.307**	**3.930**
Net balance sheet foreign currency position	**(1.939.240)**	**2.331**	**(954.601)**	**13.227**
Net asset/liability position of off-balance sheet derivatives (A-B)	-	-	-	-
A. Total foreign currency amount of off-balance sheet derivative financial assets	-	-	-	-
B. Total foreign currency amount of off-balance sheet derivative financial liabilities	-	-	-	-
			-	
Net foreign currency position	**(1.939.240)**	**2.331**	**(954.601)**	**13.227**
Export	-	-	-	-
Import	48.523	32.104	-	-
Fair value of hedged funds of foreign currency	76.895	-	-	-
Hedged amount of foreign currency assets	-	-	-	-
Hedged amount of foreign currency liabilities	201.857	-	98.510	-

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

30 September 2011

	Gain/Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
5% change in Euro Exchange rate		
Euro net asset/liability	(113.302)	113.302
Portion secured from Euro risk	-	-
Euro net effect	(113.302)	113.302

31 December 2010

	Gain/Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
5% change in Euro Exchange rate		
Euro net asset/liability	(97.804)	97.804
Portion secured from Euro risk	-	-
Euro net effect	(97.804)	97.804

NOTE 23 - FINANCIAL INSTRUMENTS

Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Effective 1 January 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

In the balance sheet, derivative financial instrument is the only item that is recognized at fair value. The fair value of derivative financial instrument is determined by using valuation technique, which can be regarded as Level 2. Apart from that, for disclosure purposes, the borrowings carried at the amortized cost at the balance sheet are presented with their values in Note 6. The fair value of borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate (Libor) that is available to the Group for similar financial instruments that can be classified as level 2. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables and payables.

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NOTE 24 - MERGER OF ENTERPRISES SUBJECT TO COMMON CONTROL

In accordance with the decision adopted during Migros Türk's general assembly held on 28 April 2009, Migros Türk has decided to merge with Moonlight through a takeover of its assets and liabilities as a whole within the framework of Capital Markets Board ("CMB") requirements, Turkish Commercial Code, Law No. 451, and other related articles and Corporate Tax Law No. 19-20. As a result of the mentioned merger, it has been decided to increase Moonlight's capital from TL 174.323.000 to TL178.030.000 (Amounts expressed in Turkish Lira ("TL")) and also in accordance with the merger agreement approved during the General Assembly, merger ratio of 0,97918 and share exchange ratio of 1,00 has been identified. As a result of the merger, registered shares amounting to TL 3.706.660 (Amounts expressed in Turkish Lira ("TL") issued by Moonlight have been distributed to the shareholders of Migros Türk other than Moonlight in exchange for their Migros Türk shares.

On 30 April 2009 Istanbul Trade Registry Office has announced the registry of Migros Türk's general assembly held on 28 April 2009 and merger agreement on 06 May 2009 dated and 7305 numbered Trade Registry Gazette. As a result of the merger, Moonlight's trade name has been changed as Migros Ticaret A.Ş.

The difference occurred as a result of merger amounting TL 27.312, has been presented as "Additional contribution to shareholders' equity related to merger" under consolidated equity, as there are no related lines present at the financial statement presentation format which is held mandatory by CMB.

NOTE 25 - SUBSEQUENT EVENTS

A fire incidence occurred in Beylikdüzü Shopping Center of the Group after working hours on 5 November, 2011. Beylikdüzü 5M store located in the shopping center is fully insured and damage assesment continues as of 10 November, 2011

NOTE 26 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1- On 17 February 2011, The Group sold 100% shares of subsidiary, Ramstore Azerbaijan, to a third party.

Gain from sale of subsidiary

Amount received	21.953
Recorded amount of net assets sold	(26.949)
Currency translation differences reclassification adjustments due to foreign operations disposal	5.989
Gain from sale of subsidiary	993

993 TL worth of sales income is classified under income statement of discontinued operations.

Net amount from sale of subsidiary

Cash and cash equivalents received	21.953
Less: cash and cash equivalents of sold subsidiary	(7.810)
	14.143

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NOTE 26 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Book value of net assets disposed is as follows:

Current assets	**10.490**
Cash and cash equivalents	7.810
Trade receivables	64
Inventories	2.357
Other current assets	259
Non-current assets	**22.046**
Property, plant and equipment	21.242
Intangible assets	229
Deferred tax assets	514
Other non-current assets	61
Total assets	**32.536**
Current liabilities	**1.968**
Trade payables	1.715
Other current liabilities	253
Non-current liabilities	**3.619**
Deferred tax liabilities	3.619
Total liabilities	**5.587**
Book value of net assets disposed	**26.949**

2- On the meeting of Board of Directors dated on 7 June 2011, the Group decided to sold %99,60 shares of subsidiary, Şok Marketler Ticaret A.Ş., to a third party. Accordingly, sale process of Şok Marketler Ticaret A.Ş. has been initiated following the signature of share transfer agreement on 7 June 2011. The necessary permit from Competition Board was obtained on 17 August 2011 and as of 25 August 2011 share transfer was completed. In addition, on 1 August 2011, the Group transferred assets and liabilities allocated to operations held under the Şok Brand to Şok Marketler Ticaret A.Ş.

Gain From Sale of Subsidiary	
Amount received	581.010
Recorded amount of net assets sold	(234.569)
Gain from sale of subsidiary	**346.441**

346.441 TL worth of sales income is classified under income statement of discontinued operations.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 26 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Book value of net assets disposed:

Current assets	**92.735**
Inventories	92.735
Non-current assets	**155.138**
Property, plant and equipment	102.986
Intangible assets	51.631
Financial Investments	521
Total assets	**247.873**
Current liabilities	**7.020**
Unused vacation provision	7.020
Non-current liabilities	**6.284**
Deferred tax liabilities	5.746
Provision for employment termination benefits	538
Total liabilities	**13.304**
Book value of net assets disposed	**234.569**

1 January- 30 September 2011 and 1 January- 30 September 2010 accounting periods, income statement of the discontinued operations are as follows:

	1 January- 30 September 2011	**1 July- 30 September 2011**	**1 January- 30 September 2010**	**1 July- 30 September 2010**
Revenue (net)	678.010	101.767	913.980	325.685
Cost of sales (-)	(577.072)	(99.039)	(726.898)	(262.088)
Marketing, selling and distribution expenses (-)	(155.635)	(26.679)	(179.834)	(67.897)
General administrative expenses (-)	(11.398)	(2.116)	(14.096)	(4.627)
Financial income	2.365	351	3.022	1.094
Financial expense (-)	(10.058)	(1.973)	(12.174)	(4.969)
Other expenses (-)	(6.481)	(6.481)	-	-
Loss before tax	**(80.269)**	**(34.170)**	**(16.000)**	**(12.802)**
Tax income / (loss)	148	(277)	(678)	1.368
Net loss from discontinued operations before the gain from sale of subsidiary	**(80.121)**	**(34.447)**	**(16.678)**	**(11.434)**
Gain from sale of subsidiary	347.434	346.441	-	-
Sales profit tax expense	(69.257)	(69.257)	-	-
Net gain / (loss)	**198.056**	**242.737**	**(16.678)**	**(11.434)**