

# MiGROS



**Migros Ticaret A.Ş.**

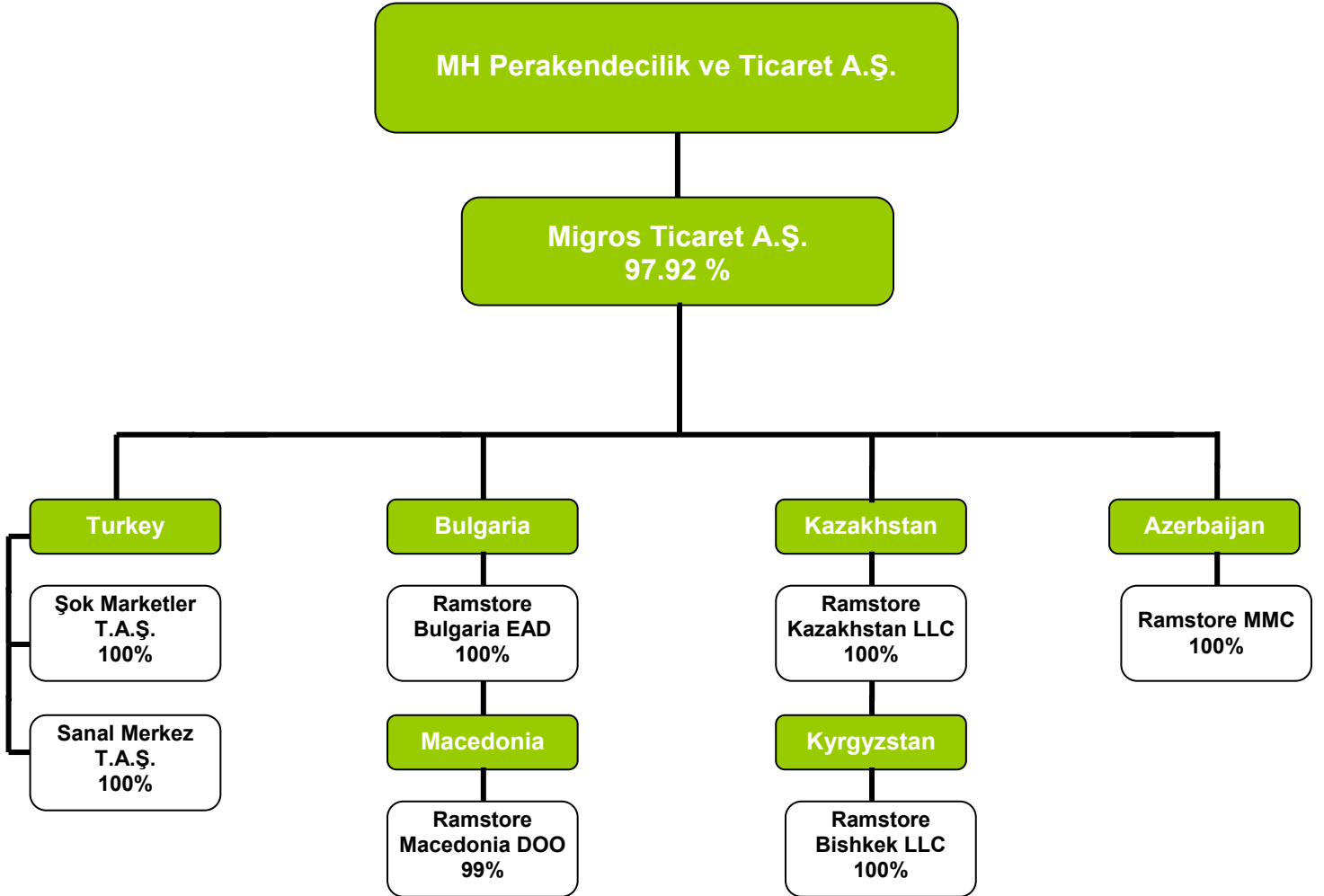
**01.01.2009 – 30.09.2009**

**Interim Activity Report**

## CORPORATE PROFILE

<b>Company</b>	<b>: Migros Ticaret A.Ş.</b>
<b>The Date of Foundation</b>	<b>: 19.03.2008</b>
<b>Trade Registry Office</b>	<b>: İstanbul Trade Registry Office</b>
<b>Trade Registry Number</b>	<b>: 659896</b>
<b>Tax Administration</b>	<b>: Büyük Mükellefler Vergi Dairesi</b>
<b>Tax ID</b>	<b>: 6220529513</b>
<b>Address</b>	<b>: Turgut Özal Caddesi No:12 34758 Ataşehir - İstanbul</b>
<b>Phone</b>	<b>: 0216 579 30 00</b>
<b>Fax</b>	<b>: 0216 579 35 00</b>
<b>Corporate Web Site</b>	<b>: <a href="http://www.migros.com.tr">www.migros.com.tr</a></b>
<b>E-mail</b>	<b>: <a href="mailto:malimigros@migros.com.tr">malimigros@migros.com.tr</a></b>
<b>Capital</b>	<b>: TL 178,030,000</b>
<b>Stock Exchange</b>	<b>: İstanbul Stock Exchange</b>
<b>Listing Year at the Stock Exchange</b>	<b>: 2009</b>
<b>Symbol</b>	<b>: MGROS.IS</b>

## Migros Ticaret Organigram as of 30 September 2009



## **INTRODUCTION: AN ECONOMIC REVIEW AND RETAIL MARKET**

According to TurkStat (Turkish Statistical Institute), GDP, which rose by 4.2% in real terms in the first half of 2008, shrunk 10.6% to TL 438 billion in current prices in the first half of 2009. Domestic food, alcoholic beverages, and tobacco consumptions declined by 0.2% with constant prices in the first half of 2009, which is lower than the GDP shrinkage of 10.6% in the first half of 2009. In the second quarter of 2009, food, alcoholic beverages, and tobacco consumptions amounted to TL 46.7 billion, which corresponds to a decrease of 2.9% in real terms.

According to Retail Index results of Trade Council of Shopping Centers and Retailers (TCSCR), annual increase in sales turnover is 3% in September 2009. The revenue in organized food retail market increased by 5% in the first nine months of 2009, compared to the first nine months of 2008. In food retail market, annual increase in sales turnover was realized as 1%. In food retail, sales increased 3% in the first nine months of 2009, as compared to the same period in 2008. In non-food retail market, annual increase in sales turnover amounted to 6%. In food retail, the total sales area rose by 14% and the total number of stores by 20% annually in September 2009. The per sqm sales index in September dropped 5% versus August 2009 and 8% versus September 2008.

Food and non-alcoholic beverages group Consumer Price Index (CPI) rose by 1.57% in the first 9 months of 2009 and 6.79% compared to September 2008. General 12 month CPI, which was 10.06% in 2008, dropped to 5.27% in September 2009.

The increasing trend of the CBRT Consumer Confidence Index, which has been rising since December 2008, begun a recovery period in July and August. The Index, which was 81.3 in August 2009, has jumped by 0.8% to 81.9 in September 2009.

## SECTION 1: CORPORATE INFORMATION

### Board of Directors

According to the Minutes of Extraordinary General Assembly Meeting dated 28 April 2009 and Minutes of Ordinary General Assembly Meeting dated 30 July 2009, Board Members and Auditors are shown below.

### Board of Directors

Fevzi Bülent Özaydınlı	Chairman
Antonio Belloni	Member
Nicholas Stathopoulos	Member
Stefano Ferraresi	Member
Cedric Brice Dubourdieu	Member
Paolo Federico Ceretti	Member
Evren Rifki Ünver	Member
Ömer Özgür Tort	Member / General Manager
Warith Mubarak Said Al Kharusi	Member
Pedro Miguel Stemper	Member
Giovanni Maria Cavallini	Member

### Auditors

Mustafa Bilgutay Yaşar	Auditor
Yüksel Toparlak	Auditor
Recep Bıyık	Auditor

Also, Stefano Ferraresi and Evren Rifki Ünver have been elected as the members of the Audit Committee and Nicholas Stathopoulos, Ömer Özgür Tort and Erkin Yılmaz have been elected as the members of Corporate Governance Committee at the Board of Directors Meeting of our company dated 07 October 2009.

### Authorities and Duties of The Board of Directors

According to the articles 16<sup>th</sup> and 17<sup>th</sup> in the Articles of Association of the Company, the Board of Directors have the authority to take any resolutions with the exception of matters that needs the resolution of the General Assembly in accordance with the laws and Company's Articles of Association.

### Authorities and Duties of the Auditors

According to the articles 22<sup>nd</sup> and 23<sup>rd</sup> in the Articles of Association of the Company, the duties, liabilities and responsibilities of auditors as well as matters pertaining thereto are governed by provisions of the Turkish Commercial Code, provided that clauses Article 275 of the same Act is binding. A salary or annual remuneration assessed by the General Assembly is paid to each auditor.

### The shareholding structure of Migros Ticaret A.Ş.

The names of shareholders, shareholding amounts and percentages of the shareholders holding more than 10% of the capital of TL 178,030,000 are as follows:

As of 30 September 2009;

Migros Ticaret A.Ş.		
Shareholder	Share (%)	Amount (TL)
MH Perakendecilik ve Ticaret A.Ş.	97.92	174,323,336.00
Other	2.08	3,706,664.00
<b>Total</b>	<b>100.00</b>	<b>178,030,000.00</b>

### Information About the Most Recent Capital Increase

At the Extraordinary General Assembly Meeting held on April 28, 2009, it was decided that Migros Türk T.A.Ş. be acquired by Migros Ticaret A.Ş. (Former Name: Moonlight Perakendecilik ve T.A.Ş.), the capital of Migros Ticaret A.Ş. (Former Name: Moonlight Perakendecilik ve T.A.Ş.) be increased from TL 174,323,340 to TL 178,030,000 and Article No.7 of the company's Articles of Association about capital be amended.

## Information on General Assembly Meeting

### General Assembly Meeting

Meeting Minutes and List of Attendees pertaining to Ordinary General Assembly Meeting of our Company dated 30.07.2009 was disclosed in our corporate web site ([www.migroskurumsal.com](http://www.migroskurumsal.com)). In the Ordinary General Assembly Meeting, the statutory and the consolidated financial statements dated 31.12.2008, which was prepared in accordance with IFRS, and the other agenda were duly accepted.

In the Ordinary General Assembly Meeting, Nicholas Stathopoulos, Evren Rıfki Ünver and Giovanni Maria Cavallini were elected as Board Members for 3 years as specified in the Articles of Association. Since terms of office for Fevzi Bülent Özaydınlı, Antonio Belloni, Stefano Ferraresi, Cedric Brice Dubourdieu, Paolo Federico Ceretti, Ömer Özgür Tort, Warith Mubarak Said Al Kharusi and Pedro Miguel Stemper elected as Board Members in the Extraordinary General Assembly Meeting dated April 28, 2009 had not expired, no election was made for their seats.

In the Ordinary General Assembly Meeting, Recep Bıyık has been elected as Auditor for 3 years as specified in the Articles of Association. Since terms of office of Mustafa Bilgutay Yaşar and Yüksel Toparlak elected as Auditors in the Extraordinary General Assembly Meeting dated April 28, 2009 had not expired, no election was made for their positions.

During the General Assembly Meeting, as per the regulations of the Board of Capital Markets on Independent External Auditing, it was resolved by the Board of Directors that "Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş." (a member of PricewaterhouseCoopers) which was selected for the year 2009 be authorized to act as independent external auditor.

### Amendments in the Articles of Association During the Period

In the Extraordinary General Assembly Meeting of our company on 28 April 2009,

It was decided to amend the articles 2, 3, 5, 7, 9, 10, 11, 16, 17, 18, 20, 22, 25, 26, 28, 29, 30 and 31 of the Articles of Association of the Company, by virtue of the conformity letter of the Capital Market Board No. 26.03.2009 B.02.1.SP.K.0.13-425/3963, and in accordance with the permission of Ministry of Industry and Commerce dated 26.03.2009 and No. B.14.0.İT.G.0.10.00.01.401.01.02-59209-38578 – 1726, as well as to insert the articles no. 11/A, 23/A, 33 and 34 into the articles of association of the Company.

### The Dividend Policy of Migros

As it was submitted to shareholders at the General Assembly Meeting on 30 July 2009:

"In line with the Company's long-term strategies, investments and financing plans and profitability, dividends corresponding to at least to 20% of the attributable profit, computed in accordance with the CMB communiqués and regulations, can be distributed in cash or in the form of bonus shares of stock, or some combination of the two. This is the Company's policy for the next three years. Any change in this policy will be publicly disclosed."

### The Dividend Distribution

In the General Assembly Meeting of Migros Ticaret dated 30 July 2009, it was resolved to allocate the legally unrestricted reserves to dividend distribution following the setting up of the necessary legal reserves and to distribute dividends amounting to gross TL 2,492,420,000 from such allocated resource to the shares representing the share capital of TL 178,030,000.

Consequently, the distribution per share is

- A TL 14 gross and net cash dividend per share with a nominal value of TL 1 representing a ratio of %1,400 to institutional shareholders domiciled in Turkey and non-resident foreign institutions, which are tax payers in Turkey through their permanent representative offices or companies,
- After deducting the withholding ratios under tax laws, other shareholders are being paid a net cash dividend of TL 11.90 per one share with a nominal value of TL 1, representing a ratio of 1,190%.

The dividend payments for those shareholders (the shares they own are traded in the Stock Exchange) whose shareholdings are monitored by the Central Registration Agency in the framework of the regulations set by CMB in relation to the Registry System, are made by the intermediary institution to the dividend accounts of the shareholders.

As laid out in the General Letter of the Central Registration Institution ("MKK") numbered 294, in accordance with the Capital Markets Board Legislation Temporary Article 6, the shareholders are not paid dividend accruing after December 31, 2007 unless they have their shares registered. The payment can take place subsequent to the registration. Consequently our shareholders whose shares are not monitored within the framework of the regulations on registration system and physically hold their share certificates should have their shares registered to be able to collect their dividend. The dividend distribution commenced on **August 4, 2009**, at the branches of Yapı Kredi Bankası A.Ş. listed in the corporate web site of our Company ([www.migroskurumsal.com](http://www.migroskurumsal.com)) and Yapı Kredi Yatırım Menkul Değerler A.Ş.

## SECTION 2: FINANCIAL INFORMATION

### Sales

(thousand TL)

	<b>1 January – 30 September 2009</b>	<b>19 March – 30 September 2008</b>
Domestic sales	4,176,068	1,795,975
Foreign sales	170,931	66,625
	4,346,999	1,862,600
Other sales	1,675	1,762
	4,348,674	1,864,362
Less: Discounts and returns	(97,544)	(29,296)
<b>Sales revenue - net</b>	<b>4,251,130</b>	<b>1,835,066</b>

The consolidated net sales of our company realized as TL 4,251,130 thousand in the first nine months of 2009, 96.0% of which is accounted by domestic sales.

### Sales By Countries

(thousand TL)

	<b>1 January – 30 September 2009</b>	<b>19 March – 30 September 2008</b>
Turkey	4,080,506	1,767,210
Kazakhstan	131,519	51,958
Bulgaria	24,049	9,670
Azerbaijan	15,056	6,228
	<b>4,251,130</b>	<b>1,835,066</b>

## The Financial Ratios

### The financial resources and the risk management policies

#### Loans

As from September 30, 2009, the outstanding loans of the Company stands at TL 2,596,417 thousand, out of which TL 74,765 thousand is due within the next 12 months.

On August 4, 2009, Migros Ticaret A.Ş. borrowed a total amount of EUR 1,170,235,000 from the consortium of Akbank, İş Bankası, Garanti Bankası and Vakıfbank, to be paid back by May 2018.

#### Risk management policies

The company's exposure to various risks including fluctuations in foreign exchange rates and interest rates, mainly due to the foreign exchange denominated loans utilized by the company, is managed within the limitations of the framework policies approved by the board of Directors.

The foreign exchange risk is followed and limited through the evaluation of foreign currency position and hedges.

### The significant events that take place from ending of the fiscal period to publication of the respective financial statements

In the footnote regarding Events After Balance Sheet Date of the Consolidated Financial Statements, necessary explanations have been made on this matter.

### The quality and amount of the capital market instruments that have been issued

N/A.

### Financial Structure and Profitability Ratios

	MİGROS TİCARET A.Ş.				MİGROS TÜRK T.A.Ş.		(I-III) Change %
	(I)		(II)		(III)		
IFRS Consolidated Income Statement Summary (Thousand TL)	01 Jan. – 30 Sept. 2009	%	19 Mar. – 30 Sept. 2008	%	01 Jan. – 30 Sept. 2008	%	
<b>Net Sales</b>	<b>4,251,130</b>	<b>100.0</b>	<b>1,835,066</b>	<b>100.0</b>	<b>3,783,223</b>	<b>100.0</b>	<b>12.4</b>
Cost of sales (-)	-3,184,834	-74.9	-1,407,432	-76.7	-2,811,235	-74.3	13.3
<b>Gross Profit</b>	<b>1,066,296</b>	<b>25.1</b>	<b>427,634</b>	<b>23.3</b>	<b>971,988</b>	<b>25.7</b>	<b>9.7</b>
Operating Expenses	-864,412	-20.3	-358,541	-19.5	-748,493	-19.8	15.5
Other Income / (Gains)	653	0.0	1,213	0.1	14,291	0.4	-95.4
<b>Operating Profit</b>	<b>202,537</b>	<b>4.8</b>	<b>70,306</b>	<b>3.8</b>	<b>237,786</b>	<b>6.3</b>	<b>-14.8</b>
Financial Income / (Gains)	-82,263	-1.9	33,238	1.8	1,576	0.0	-5,319.7
<b>Income Before Tax</b>	<b>120,274</b>	<b>2.8</b>	<b>103,544</b>	<b>5.6</b>	<b>239,362</b>	<b>6.3</b>	<b>-49.8</b>
Tax Income / (Expenses)	-23,744	-0.6	-21,378	-1.2	-44,707	-1.2	-46.9
<b>Income For The Period</b>	<b>96,530</b>	<b>2.3</b>	<b>82,166</b>	<b>4.5</b>	<b>194,655</b>	<b>5.1</b>	<b>-50.4</b>
<i>Income For The Period-Minority Interest</i>	1,565	0.0	14,914	0.8	38	0.0	4,018.4
<i>Income For The Period-Parent Company Shares</i>	94,965	2.2	67,252	3.7	194,617	5.1	-51.2
<b>EBITDA</b>	<b>298,719</b>	<b>7.0</b>	<b>107,750</b>	<b>5.9</b>	<b>298,717</b>	<b>7.9</b>	<b>0.0</b>

**Note:** In order to ensure statistical comparability, Migros Türk T.A.Ş. figures for January 1 - September 30 2008 has been included in the table.



<b>Migros Ticaret A.Ş. IFRS Consolidated Balance Sheet Summary (Thousand TL)</b>	<b>September 09</b>	<b>%</b>	<b>December 08</b>	<b>%</b>	<b>Change %</b>
Current Assets	1,930,548	34.4	1,643,537	31.1	17.5
Non-current Assets	3,681,599	65.6	3,642,695	68.9	1.1
<b>Total Assets</b>	<b>5,612,147</b>	<b>100.0</b>	<b>5,286,232</b>	<b>100.0</b>	<b>6.2</b>
Current Liabilities	1,385,012	24.7	1,193,320	22.6	16.1
Non-current Liabilities	2,747,685	49.0	202,462	3.8	1,257.1
<b>Total Liabilities</b>	<b>4,132,697</b>	<b>73.6</b>	<b>1,395,782</b>	<b>26.4</b>	<b>196.1</b>
Parent Company Shareholders' Equity	1,479,097	26.4	3,860,648	73.0	-61.7
Minority Interest	353	0.0	29,802	0.6	-98.8
<b>Shareholders' Equity</b>	<b>1,479,450</b>	<b>26.4</b>	<b>3,890,450</b>	<b>73.6</b>	<b>-62.0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,612,147</b>	<b>100.0</b>	<b>5,286,232</b>	<b>100.0</b>	<b>6.2</b>

<b>Income Statement Summary-Segment Analysis (Thousand TL)</b>	<b>MİGROS TİCARET A.Ş.</b>		<b>MİGROS TÜRK T.A.Ş.</b>	
	<b>(I)</b>	<b>(II)</b>	<b>(III)</b>	<b>(I-III)</b>

<b>Consolidated (Thousand TL)</b>	<b>01 Jan. – 30 Sept. 09</b>	<b>%</b>	<b>19 Mar. – 30 Sept. 09</b>	<b>%</b>	<b>01 Jan. – 30 Sept. 08</b>	<b>%</b>	<b>Change %</b>
Sales	4,251,130	100.0	1,835,066	100.0	3,783,223	100.0	12.4
Gross Profit	1,066,296	25.1	427,634	23.3	971,988	25.7	9.7
EBITDA	298,719	7.0	107,750	5.9	298,717	7.9	0.0

<b>Turkey (Thousand TL)</b>	<b>01 Jan. – 30 Sept. 09</b>	<b>%</b>	<b>19 Mar. – 30 Sept. 09</b>	<b>%</b>	<b>01 Jan. – 30 Sept. 08</b>	<b>%</b>	<b>Change %</b>
Sales	4,080,506	100.0	1,767,210	100.0	3,631,104	100.0	12.4
Gross Profit	1,020,967	25.0	408,607	23.1	929,668	25.6	9.8
EBITDA	280,840	6.9	100,086	5.7	282,107	7.8	-0.4

<b>Kazakhstan (Thousand TL)</b>	<b>01 Jan. – 30 Sept. 09</b>	<b>%</b>	<b>19 Mar. – 30 Sept. 09</b>	<b>%</b>	<b>01 Jan. – 30 Sept. 08</b>	<b>%</b>	<b>Change %</b>
Sales	131,519	100.0	51,958	100.0	116,910	100.0	12.5
Gross Profit	32,031	24.4	13,406	25.8	30,001	25.7	6.8
EBITDA	10,767	8.2	4,631	8.9	10,722	9.2	0.4

<b>Bulgaria (Thousand TL)</b>	<b>01 Jan. – 30 Sept. 09</b>	<b>%</b>	<b>19 Mar. – 30 Sept. 09</b>	<b>%</b>	<b>01 Jan. – 30 Sept. 08</b>	<b>%</b>	<b>Change %</b>
Sales	24,049	100.0	9,670	100.0	21,502	100.0	11.8
Gross Profit	9,039	37.6	3,848	39.8	8,512	39.6	6.2
EBITDA	6,082	25.3	2,268	23.5	4,283	19.9	42.0

<b>Azerbaijan (Thousand TL)</b>	<b>01 Jan. – 30 Sept. 09</b>	<b>%</b>	<b>19 Mar. – 30 Sept. 09</b>	<b>%</b>	<b>01 Jan. – 30 Sept. 08</b>	<b>%</b>	<b>Change %</b>
Sales	15,056	100.0	6,228	100.0	13,707	100.0	9.8
Gross Profit	4,259	28.3	1,773	28.5	3,807	27.8	11.9
EBITDA	1,030	6.8	765	12.3	1,605	11.7	-35.8

**Note:** In order to ensure statistical comparability, Migros Türk T.A.Ş. figures for January 1 - September 30 2008 has been included in the table.

<b>LIQUIDITY RATIOS</b>	<b>30 September 09</b>	<b>31 December 08</b>
Current Ratio	1.39	1.38
Liquidity Ratio (Acid-Test)	1.02	0.97
Cash Ratio	0.96	0.92
Working Capital (Thousand TL)	545,536	450,217
Cash Conversion Cycle (in days)*	-47.5	-48.1

\*It was calculated from average balances. In order to ensure statistical comparability, the figures of Migros Türk T.A.Ş for the said period were used in calculating the cash conversion cycle period for December 31, 2008.

<b>FINANCIAL STRUCTURE RATIOS</b>	<b>30 September 09</b>	<b>31 December 08</b>
Financial Leverage	0.74	0.26
Total Liabilities / Shareholders' Equity	2.79	0.36
Current Liabilities / Total Assets	0.25	0.23
Non-current Liabilities / Total Assets	0.49	0.04
Net Cash Position / Shareholders' Equity	-0.86	0.26
Financial Liabilities / Shareholders' Equity	1.75	0.02
Financial Liabilities / Total Assets	0.46	0.02
Total Financial Liabilities (Thousand TL)	2,596,417	82,002
Interest Coverage Ratio*	9.14	37.74
<b>Net Cash Position (Thousand TL)</b>	<b>-1,272,069</b>	<b>995,751</b>
<b>Net Foreign Currency Position (Thousand TL)</b>	<b>-1,730,201</b>	<b>137,619</b>

\* In order to ensure statistical comparability, the figures of Migros Türk T.A.Ş for the said period were used in calculating the interest coverage ratio period for December 31, 2008.

<b>PROFITABILITY RATIOS (%)</b>	<b>30 September 09</b>	<b>30 September 08</b>
Return On Equity (ROE)	6.5	12.6
Return On Assets (ROA)	1.7	6.9
Gross Profit Margin	25.1	25.7
EBITDA Margin	7.0	7.9
Operating Profit Margin	4.8	6.3
Income Before Tax Margin	2.8	6.3
Net Income Margin	2.3	5.1

**Note:** In order to ensure statistical comparability, the figures of Migros Türk T.A.Ş for the said period were used in calculating the profitability ratios period for January 1 – September 30 2008

<b>SHARE PERFORMANCE RATIOS</b>	<b>30 September 09</b>	<b>30 September 08</b>	<b>Change %</b>
Market Cap (Thousand TL)	3,596,206	3,898,857	-7.8
Share Price (TL)	20.20	21.90	-7.8
Earnings Per Share (EPS) (Kr)	0.53	1.09	-51.4
Price-earnings Ratio (Annual)	27.9	15.0	86.0

**Note:** In order to ensure statistical comparability, Migros Türk T.A.Ş. figures for January 1 - September 30 2008 has been included in the table.

## SECTION 3: OPERATIONAL ACTIVITIES

### Position of Migros in the Sector and Investments

Operating in the food and consumer goods sector, Migros Ticaret A.Ş. is engaged in the retail sale of all types of food products and consumer goods, as well as their wholesale for retail consumption. The Company also operates shopping malls in Turkey and abroad through its associates.

The Company commanded a store network of 1,426 stores in total at the end of September 30, 2009, of these 109 M, 107 MM, 45 MMM, 832 Şok, 6 5M, 299 Tansaş and 9 Macrocenter stores in seven geographical regions throughout Turkey, as well as 4 Ramstores in Azerbaijan, 12 Ramstores in Kazakhstan, 2 Ramstores in Macedonia and 1 Ramstore in Kyrgyzstan operated through its associates abroad.

During January – September 2009, Migros Ticaret A.Ş. opened 30 Migros, 36 Tansaş, 1 Macrocenter, 203 Şok and 3 Ramstore stores under:

**M format;** Kurtuluş, Cemalpaşa, Balcalı, Dört Yol, Yeni Vilayet, Yeni Baraj and Kozan in Adana, Çukurambar and Büyükesat in Ankara, Konyaaltı in Antalya, Burdur in Burdur, Taşhan, Terminal and Şükrüpaşa in Erzurum, Çapa in İstanbul, Çeşmealtı and Çeşme Germiyan Yalısı in İzmir, Anamur Yeşilyurt and Limonlu in Mersin, Ürgüp in Nevşehir,

**MM format;** Aksaray in Aksaray, Kundu in Antalya, Ertuğrulkent in Bursa, Emek in Gaziantep, G-City in Giresun, Boğazköy Verde Molino AVM in İstanbul, Karaman in Karaman, Zonguldak in Zonguldak,

**MMM format;** Via Life in Ankara, Çekmeköy Eltes in İstanbul,

**Mini Tansaş format;** Reşatbey, Barajyolu and Küçük Saat in Adana, Yeşilyol in Afyon, Avşa in Balıkesir, Küçük Kumla in Bursa, Keşan in Edirne, Karataş, Gazikent and Cumhuriyet in Gaziantep, Ethemefendi, Altintepe and Mecidiyeköy in İstanbul, Şirinyer Menderes, Bostanlı Park and Karşıyaka Dedebaşı in İzmir, Uray in Mersin, Kapaklı Çerkezköy in Tekirdağ,

**Midi Tansaş format;** Yeni Adana, Yurt, Huzurevleri and Hayalpark in Adana, Gölbaşı in Ankara, 500 Evler in Gaziantep, İskenderun in Hatay, Halıkent in Isparta, Aşağı Dudullu in İstanbul, Çiğli İstasyonaltı in İzmir, Yahyakaptan in Kocaeli, Erdemli in Mersin, Bafra in Samsun,

**Maxi Tansaş format;** Esentepe in Adana, Ataköy in Afyon, Mezitli and Tömük in Mersin, Şanlıurfa in Şanlıurfa,

**Macrocenter format;** City's Nişantaşı in İstanbul,

#### Şok format;

- In Adana Kurttepe, Belediye Evleri, Güzelyalı,

- In Adıyaman Besni, Eskisaray,

- In Afyon Sandıklı, Afyon,

- In Ankara Farabi Güven, Yukarı Bahçelievler, Kızılcahamam, Çubuk, Şereflikoçhisar, Oran, Ayrancı Cadde, Gazi, Elmadağ, Kurtuluş, Bahçelievler Cadde, Altındağ, Gençlik Caddesi,

- In Antalya Aşağıhisar, Dokuma Tevfik Fikret, Dutlubahçe, Manavgat Kasaplar, Kemer, Alanya Damlataş, Kemer Aslanbucak, Alanya Mehmet Akif Ersoy, Korkuteli Merkez, Kumluca Meydan, Şarmpol, Alanya Mahmutlar Cumhuriyet, Şafak Mahallesi, Kemer Hastane Caddesi, Finike Yenimahalle, Uncalı Siteler,

- In Aydın Gazipaşa, Çine, Nazilli, Didim Mavişehir, Davutlar SSK Siteler, Kuşadası Cansever Sahil,

- In Balıkesir İvrindi, Bandırma Kurtuluş, Erdek Ocaklar, Zeytinli Edremit, Bandırma 100. Yıl,

- In Bursa Gemlik Sahil, Dikkaldırım, Orhangazi, Mustafa Kemal Paşa Terminal, Emirsultan, Bademli, Kumla Sahil, Ataevler, Görükle,

- In Çanakkale Gelibolu,

- In Denizli Acıpayam, Merkez, Kıbrıs Şehitleri, Saltak,

- In Düzcce Akçakoca Pazaryolu,

- In Edirne Keşan Erikli, Keşan Yayla,

- In Erzurum Pelit, Yenişehir, Oltu, Solakzade, Yıldızkent, Palandöken, Çaykara,

- In Gaziantep Batıkent, Milli Egemenlik, Fatih,

- In Giresun Sokakbaşı,

- In Hatay İskenderun Pınarbaşı, Saray, Antakya Cumhuriyet,

- In Isparta İsmetpaşa, Gazi Kemal, Yalvaç Kütüphane,

- In İstanbul Bahçelievler Soğanlıbahçe, Göktürk Çamlık, Göktürk Mandıra Caddesi, Şişli, Büyükçekmece Esenbahçe, Sahrayıcedid Merkez, Üsküdar Özanakent, Büyükçekmece Hilal 86, Halide Edip Adıvar, Şişli Kurtuluş, Beykent İncikonak, Cennet Reyhan Caddesi, Kavacık Otağtepe, Kasımpaşa, Sultangazi, Haznedar Cadde, Bahçelievler Meltem, Okmeydanı Nişangah, Kazasker Hilmipaşa, Selimpaşa Merkez, Sarıyer, Ataşehir Gümrükyolu, Çobançeşme, Silivri Semizkum Alipaşa, Acıbadem Yıldızbakkal, GOP Karadeniz Mahallesi, Acıbadem Nişantaşı, Şirinevler Hürriyet, Çiftahuzlar Yeşilbahar, İncirli Olgunlar, Bahçelievler Dereyolu, Sanayi Mahallesi, Güneşli Evren Mahallesi, Alibeyköy Binevler, Altintepe, Yeşilpınar Cengiz Topel, Tüccarbaşı İstasyon, Caddebostan Plajyolu, Gayrettepe, Çekmeköy Siteler, Zeytinburnu Yenidoğan, Ümraniye Küçüksu, Moda, Şişli Şair Nigar, Bahçelievler Siyavuşpaşa, Ambarlı, Avcılar Çiğdem, Bağcılar Son Durak, Küçükçekmece Tepeüstü, Kadıköy Serasker, Beykoz Ortaçeşme, Kağıthane Hamidiye, İçerenköy Cadde, Kartal Karlıktepe,

- In İzmir Balçova Ata, Atakent, Ayrancılar, Ödemiş, Bostanlı Şehitler, Çamdibi, Bergama Zafer, Buca İşçievleri, Çeşme Germiyan Yalısı, Menemen Kasımpaşa, Karabağlar, Karşıyaka Elit Sitesi, Seferihisar, Çeşme Çiftlikköy, Urla Zeytinalanı,

- In Kahramanmaraş Yatılı Bölge, Elbistan Çarşı, Elbistan Pınarbaşı,

- In Karabük Karabük, İstasyon, Safranbolu,

- In **Karaman** K. Karabekir Paşa,
- In **Kastamonu** Tosya,
- In **Kayseri** Gültepe,
- In **Kırklareli** Kırklareli,
- In **Kırşehir** Mucur,
- In **Kocaeli** Değirmendere Yüzbaşılar, Maşukiye, Kerpe, Derbent Kartepe, Yenikent,
- In **Konya** Akşehir Çarşı,
- In **Kütahya** Simav,
- In **Manisa** Lale Meydanı, Turgutlu Çarşı, Ahmetli,
- In **Mersin** Mut, Mezitli, Dikenliyol, Kralyolu,
- In **Muğla** Dalaman Hürriyet, Marmaris, Fethiye Günlükbaşı, Datça Siteler, Dalyan,
- In **Nevşehir** Avanos, Toki, Çarşı,
- In **Niğde** Merkez,
- In **Ordu** Yenimahalle,
- In **Osmaniye** İstiklal,
- In **Samsun** Terme, 56 Evler, Liman, Bafra Beşyol,
- In **Sinop** Sinop,
- In **Şanlıurfa** Birecik,
- In **Tekirdağ** Çorlu Bahçelievler, Yeniçiftlik Sahil, Şarköy Merkez,
- In **Tokat** Merkez, Niksar, Meydan,
- In **Trabzon** Beşirli,
- In **Yalova** Çınarcık Koru,
- In **Zonguldak** Gökçebey, Karadeniz Ereğli Erdemir, Filyos,

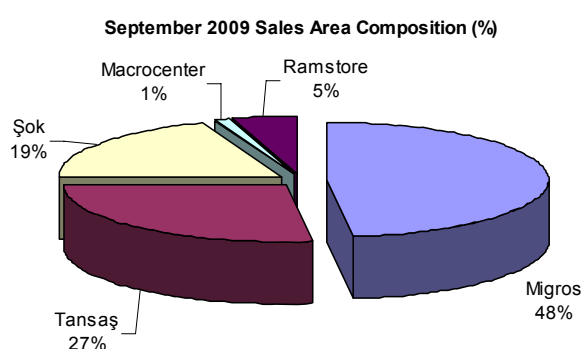
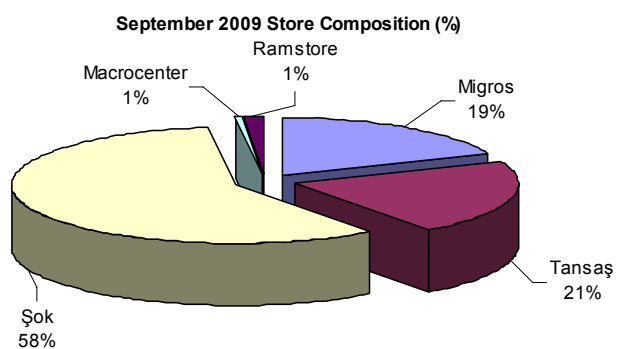
**Ramstore format;** Suvelan Park in Azerbaijan, Ajar and Aport in Kazakhstan,

The company's domestic net sales area has increased by 14.7% compared to the first nine months of 2008 to 739,941 sqm. The store efficiency as a result of the campaigns conducted and the increased customer satisfaction rose, and the annualized domestic sales per sqm realized TL 7,538. In the nine months of 2009, the number of customers has increased by 14% compared to the same period of the previous year and reached a total number of 245 million. The sales per customer realized TL 17,33.

The sales through Migros Club Card, that continues to be the largest card program of Turkish retail market, reached 78% in January – September 2009.

Number of Stores	September 2008	December 2008	September 2009
<b>Turkey</b>			
5M*	6	6	6
MMM	42	44	45
MM	98	101	107
M	92	93	109
Şok	610	652	832
Mini	130	133	148
Midi	83	86	94
Maxi	50	52	57
Macrocenter	8	8	9
<b>Number of Stores - Domestic</b>	<b>1,119</b>	<b>1,175</b>	<b>1,407</b>
<b>Net Sales Area – Domestic (m<sup>2</sup>)</b>	<b>645,106</b>	<b>668,609</b>	<b>739,941</b>
<b>International</b>			
Kazakhstan	10	10	12
Azerbaijan	3	3	4
Macedonia	2	2	2
Kyrgyzstan	1	1	1
<b>Number of Stores - International</b>	<b>16</b>	<b>16</b>	<b>19</b>
<b>Net Sales Area – International (m<sup>2</sup>)</b>	<b>28,956</b>	<b>28,956</b>	<b>37,492</b>
<b>Total number of stores</b>	<b>1,135</b>	<b>1,191</b>	<b>1,426</b>
<b>Total net sales area (m<sup>2</sup>)</b>	<b>674,062</b>	<b>697,565</b>	<b>777,433</b>

\* The Company converted its large stores which did not fall into the M, MM or MMM classification into the 5M format



## **SECTION 4: CORPORATE GOVERNANCE**

### **Statement of Compliance with Corporate Governance Principle**

Migros Ticaret A.Ş., on principle, adheres to Corporate Governance Principles, which were adopted by the Capital Markets Board of Turkey (CMB) Resolution No. 35/835 dated July 4, 2003 and were announced to the public in July 2003. Migros is aware of the benefits that the implementation of these principles will bring to the Company, its stakeholders and ultimately the country. Deficiencies in implementation are reviewed with a view to continuous improvement and efforts are underway to fix these shortcomings in order for Migros to be an exemplary role model.

The Company adopted the main principles of Corporate Governance, which are:

- a) Fairness
- b) Transparency
- c) Responsibility
- d) Accountability

During the year, business processes regarding intra-company reporting and business conduct were improved and made more effective. In 2007, the Company set up the Corporate Governance Committee within the framework of compliance with the Capital Market Legislation and Corporate Governance Principles. Also, Stefano Ferraresi and Evren Rifki Ünver have been elected as the members of the Audit Committee and Nicholas Stathopoulos, Ömer Özgür Tort and Erkin Yılmaz have been elected as the members of Corporate Governance Committee at the Board of Directors Meeting of our company dated 07 October 2009.

In an effort to keep the shareholders informed, the Company renewed its corporate website in August 2009 and enriched its substance and content, thereby allowing the shareholders to have access to more information about the Company.

The Company's Corporate Governance Principles Compliance Report can be accessed at the corporate website ([www.migroskurumsal.com](http://www.migroskurumsal.com)) in the Investor Relations section, in addition to the annual report.

### **Investor Relations**

In accordance with our company policy, investor relations is given the utmost importance. Investor Relations Unit under Finance Department was formed in 2003 in order to meet the information requests of shareholders for our Company, and the unit manages the processes related to General Assembly, capital increases and dividend distribution in addition to handling all enquiries and transactions of the shareholders regarding capital increases and dividend payments.

In addition, the Investor Relations communicates directly with various institutions including the CMB, İstanbul Stock Exchange (ISE), Central Registry Agency (CRA) and Takasbank (ISE Settlement and Custody Bank Inc) and represents the Company. Keeping records of the Board of Directors meetings and material disclosures to the ISE in compliance with the CMB Communiqué are among the department's other activities. Within the scope of the Public Disclosure Platform (in Turkish: KAP) of the CMB, these material disclosures and other announcements are also posted on the electronic environment using software developed by TÜBİTAK. Migros' Investor Relations Department monitors relevant legislation as well as CMB communiqués and informs the senior management about the subjects and issues requiring compliance.

The department also responds to the information requests about the Company. By making use of all available communication opportunities (one-on-one meetings, conference participations, meetings, corporate website, phone, email, investor bulletins, investor presentations, etc.), the department informs Migros shareholders and brokerage analysts about the Company. The department is responsible for the preparation of the annual report as well as the coordination of Corporate Governance operations and activities. It identifies the improvement areas and based on continuous improvement philosophy, supports the Company's senior management to make Migros a role model institution.

All shareholders requesting information about the Company can submit their queries by sending e-mail to [investor\\_relations@migros.com.tr](mailto:investor_relations@migros.com.tr). All other channels of communication are also available for the shareholders.