

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2017 AND 31 DECEMBER 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	<u>Notes</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
ASSETS			
Current Assets		965,495,901	1,039,890,473
Cash and Cash Equivalents	3	244,773,978	274,877,489
Trade Receivables			
Due From Related Parties	26	17,518,507	13,502,779
Other Trade Receivables	5	25,833,641	24,596,252
Other Receivables			
Other Receivables		4,338,584	84,971,036
Derivative Financial Instruments	6	46,018,075	40,242,872
Inventories	7	574,356,333	559,601,568
Prepaid Expenses		52,656,783	42,098,477
Non-Current Assets		1,953,628,006	1,983,364,513
Other Receivables			
Other Receivables		53,679,731	52,417,311
Investment Properties	8	224,137,959	225,425,744
Property, Plant and Equipment	9	625,463,913	665,519,110
Intangible Assets			
Goodwill	11	774,396,869	774,396,869
Other Intangible Assets	10	72,681,609	75,332,983
Prepaid Expenses		17,551,375	17,853,489
Deferred Tax Assets	24	185,716,550	172,419,007
TOTAL ASSETS		2,919,123,907	3,023,254,986

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

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	Notes	31 March 2017	31 December 2016
LIABILITIES			
Current Liabilities		2,071,315,114	2,124,996,601
Financial Liabilities			
Short Term Financial Liabilities from Related Parties	4, 26	63,032,878	69,138,308
Other Short Term Financial Liabilities	4	776,491,196	740,834,609
Short Term Portion of Long Term Financial Liabilities			
Short Term Portion of Long Term Financial Liabilities from Related Parties	4, 26	31,466,091	34,916,359
Other Short Term Portion of Long Term Financial Liabilities	4	53,965,081	51,978,707
Trade Payables			
Due to Related Parties	26	24,978,130	25,206,812
Other Trade Payables	5	926,339,659	1,005,444,420
Employee Benefit Liabilities	14	55,577,749	25,402,105
Other Payables			
Due to Related Parties	26	6,719,116	7,127,364
Other Short Term Payables		13,557,625	15,304,792
Short Term Provisions			
Provisions for Employment Benefits	12	8,507,446	7,660,305
Other Short Term Provisions		98,110,341	127,392,926
Other Current Liabilities	15	12,569,802	14,589,894
Non-Current Liabilities		496,186,665	523,746,018
Long Term Financial Liabilities			
Long Term Financial Liabilities from Related Parties	4, 26	49,503,499	71,159,123
Other Long Term Financial Liabilities	4	397,294,529	404,466,137
Long Term Provisions			
Provisions for Employment Termination Benefits	12	49,388,637	48,120,758
EQUITY		351,622,128	374,512,367
Shareholders' Equity		351,622,128	374,512,367
Share Capital	16	700,000,000	700,000,000
Inflation Adjustment to Share Capital	16	91,845,783	91,845,783
Share Issue Premium		34,691,309	34,691,309
Other Comprehensive Income/Expense Not to be Reclassified to Profit or Loss			
Actuarial Gain	16	(488,774)	(488,774)
Restricted Reserves	16	12,318,358	12,318,358
Retained Losses	16	(463,854,309)	(31,687,012)
Net Loss for the Period		(22,890,239)	(432,167,297)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,919,123,907	3,023,254,986

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

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 31 MARCH 2017 AND 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	1 January - 31 March 2017	1 January - 31 March 2016
CONTINUING OPERATIONS			
Revenue	17	1,046,673,040	1,097,689,513
Cost of Sales (-)	17	(776,312,726)	(825,835,935)
GROSS PROFIT		270,360,314	271,853,578
Marketing Expenses (-)	18	(252,554,307)	(279,701,345)
General Administrative Expenses (-)	18	(27,855,096)	(29,669,628)
Other Income From Main Operations	20	25,891,924	17,928,346
Other Expenses From Main Operations (-)	20	(33,388,332)	(61,572,706)
OPERATING LOSS FROM MAIN OPERATIONS		(17,545,497)	(81,161,755)
Income From Investment Activities, net	21	21,289,283	-
OPERATING (LOSS) / PROFIT		3,743,786	(81,161,755)
Financial Expenses (-)	23	(39,931,568)	(34,335,744)
LOSS BEFORE TAX		(36,187,782)	(115,497,499)
Tax Income		13,297,543	21,514,424
- Taxes on Income	24	-	-
- Deferred Tax Income	24	13,297,543	21,514,424
NET LOSS FOR THE PERIOD		(22,890,239)	(93,983,075)
TOTAL COMPREHENSIVE LOSS		(22,890,239)	(93,983,075)
Loss Per Share	25	(0.0327)	(0.1343)

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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS ENDED
31 MARCH 2017 AND 2016**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Share Capital	Inflation Adjustment to Share Capital	Share Issue Premium	Actuarial Gains / (Loss)	Restricted Reserves	Retained Losses	Net (Loss) / Profit for the Period	Total
Balance at 1 January 2016	113,839,303	678,006,480	34,691,309	(1,437,518)	12,318,358	-	(31,687,012)	805,730,920
Transfers	586,160,697	(586,160,697)	-	-	-	(31,687,012)	31,687,012	-
Total Comprehensive Loss	-	-	-	-	-	-	(93,983,075)	(93,983,075)
Balances at 31 March 2016	700,000,000	91,845,783	34,691,309	(1,437,518)	12,318,358	(31,687,012)	(93,983,075)	711,747,845
Balances at 1 January 2017	700,000,000	91,845,783	34,691,309	(488,774)	12,318,358	(31,687,012)	(432,167,297)	374,512,367
Transfers	-	-	-	-	-	(432,167,297)	432,167,297	-
Total Comprehensive Loss	-	-	-	-	-	-	(22,890,239)	(22,890,239)
Balance at 31 March 2017	700,000,000	91,845,783	34,691,309	(488,774)	12,318,358	(463,854,309)	(22,890,239)	351,622,128

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS ENDED 31 MARCH 2017 AND 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	1 January - 31 March 2017	1 January - 31 March 2016
Net loss profit for the period		(22,890,239)	(93,983,075)
Adjustments to reconcile net loss for the period		55,523,570	79,200,393
- Depreciation of investment properties	8	1,467,785	1,461,677
- Depreciation of property, plant and equipment	9	18,660,421	22,629,967
- Amortization of intangible assets	10	6,478,962	5,320,240
- Gain on sale of tangible assets	21	(21,289,283)	-
- Risk, lawsuit, personnel, SSI and other provisions	12	(29,282,585)	14,510,194
- Interest accruals	4	64,037,673	39,668,011
- Impairment provision / (provision no longer required), net	20	(1,035,504)	(484,912)
- Change in unused vacation provision	12	847,141	374,227
- Provision for employment termination benefit	12	13,355,392	16,928,523
- Allowance for doubtful receivables	5	2,172,887	3,941,816
- Change in inventory impairment	7	212,657	1,344,287
- Unrealized foreign exchange loss		13,195,567	(4,864,125)
- Tax income	24	(13,297,543)	(21,514,424)
- Tax effect of acquired subsidiary	24	-	(115,088)
Changes in working capital:		(12,388,095)	16,543,087
- Increase in trade receivables, including collection from doubtful receivables		(3,410,276)	(11,251,146)
- Increase in inventories		(14,967,422)	(52,992,133)
- (Decrease) / increase in due from related parties	26	(4,015,728)	2,130,210
- Decrease in other receivables and current assets		73,594,829	8,129,866
- Increase in prepaid expenses		(10,256,192)	(13,893,207)
- (Decrease) / increase in other short-term payables		(1,747,167)	2,094,826
- (Decrease) / increase in other trade payables		(79,104,761)	71,576,006
- (Decrease) / increase in due to related parties	26	(636,930)	8,801,768
- Increase in employee benefit liabilities		30,175,644	3,317,492
- Decrease in other short-term liabilities		(2,020,092)	(1,370,595)
Net cash generated from operating activities		20,245,236	1,760,405
- Employee termination benefits paid	12	(12,087,513)	(15,328,295)
Net cash generated from / (used in) operating activities		8,157,723	(13,567,890)

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS ENDED 31 MARCH 2017 AND 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

CASH FLOWS FROM INVESTING ACTIVITIES	Notes	1 January - 31 March 2017	1 January - 31 March 2016
- Acquisition of property, plant and equipment	9	(3,653,282)	(16,890,716)
- Acquisition of intangible assets	10	(3,789,900)	(2,063,463)
- Acquisition of investment properties	8	(180,000)	(18,001)
- Change in goodwill due to revision in fair value of acquired subsidiary		-	(460,350)
- Proceeds from sale of tangible assets		47,335,157	7,639,721
Net cash (used in) / generated from investing activities		39,711,975	(11,792,809)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Proceeds from bank borrowings		171,317,513	46,589,521
- Repayment of borrowings		(240,210,162)	(183,221,575)
- Repayment of finance lease payables		(8,422,234)	(7,141,007)
Net cash used in financing activities		(77,314,883)	(143,773,061)
Decrease in cash and cash equivalents		(29,445,185)	(169,133,760)
Cash and cash equivalents at the beginning of the year		274,877,489	274,088,979
- The impact of change in foreign exchange rate over cash and cash equivalents		(658,326)	(20,348)
Cash and cash equivalents at the end of the period		244,773,978	104,934,871

In the current period, paid interest is amounting to TL 31,856,660 and received interest is amounting to TL 22,544. (31 March 2016: paid interest, TL 31,837,455 and received interest, TL 65,305).

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