CARREFOURSA CARREFOUR
SABANCI TİCARET MERKEZİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH
OF CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD
1 JANUARY - 31 MARCH 2017
TOGETHER WITH INDEPENDENT
AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)

Akis Bağımsız Denetim ve
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To the Board of Directors of
CarrefourSA Carrefour Sabancı Ticaret Merkezi Anonim Şirketi,

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of CarrefourSA Carrefour Sabancı Ticaret Merkezi Anonim Şirketi and its subsidiary (the "Group") as at 31 March 2017, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 *Interim Financial Reporting* ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 *Interim Financial Reporting.*

Other matter

The Group's consolidated financial statements as at and for the year ended 31 December 2016 and condensed consolidated interim financial statements as at and for the three month period ended 31 March 2016 were audited and reviewed by another auditor. The independent auditor expressed an unmodified opinion consolidated financial statements on 2 May 2016 and an unmodified conclusion on condensed consolidated interim financial statements 17 February 2017, respectively.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
A member of KPMG International Cooperative

ORIGINALLY SIGNED IN TURKISH

Ruşen Fikret Selamet, SMMM
Partner
28 April 2017
İstanbul, Turkey

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

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2017

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CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2017 AND 31 DECEMBER 2016
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31 March 2017	31 December 2016
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.

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2017 AND 31 DECEMBER 2016
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	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	12		
Provisions for Employment Benefits		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 Comprehansive 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.

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)

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

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**

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

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)**
Adjusments 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 employement 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)**

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

(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).

1. ORGANISATION AND NATURE OF OPERATIONS

CarrefourSA Carrefour Sabancı Ticaret Merkezi Anonim Şirketi ("The Company") was established in 1991 to operate in the hypermarket and supermarket sectors in Turkey. The registered address of the Company is Cevizli Mahallesi, Tugay Yolu Caddesi No:67 A, B Blok Maltepe / İstanbul. The number of personnel is 10,016 as of 31 March 2017 (31 December 2016: 10,545).

As of 31 March 2017, the Company has 35 hypermarkets and 591 supermarkets (31 December 2016: 37 hypermarkets, 619 supermarkets).

Subsidiary

Adana Gayrimenkul Geliştirme ve İşletme A.Ş. ("Adana Gayrimenkul"), which is 100% owned by the Company, was established on 15 October 2014 and has been started to consolidate by using full consolidation method as of 31 December 2014. The main business of the Subsidiary is construction of nonresidential buildings. There is no operation of Adana Gayrimenkul except real estate ownership so far.

The other subsidiary, Adanabir Gayrimenkul Geliştirme ve İşletme A.Ş. ("Adanabir Gayrimenkul"), which is 100% owned by the Company, was established on 27 March 2015 and merged with Adana Gayrimenkul, which is the other subsidiary of the Company, with its existing assets and liabilities by acquisition and this transaction has been registered by Registry of Commerce of İstanbul on 19 October 2015.

On 15 May 2015, the Company has signed Share Purchase Agreement with Kiler Holding Anonim Şirketi, Nahit Kiler, Ümit Kiler, Vahit Kiler, Hikmet Kiler, Sevgül Kiler and Denge Reklam San. ve Tic. Ltd. Şti. ("Vendors"), in order to acquire 85% of the shares of Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret Anonim Şirketi ("Kiler Alışveriş"), of which 15% of its shares are publicly traded in Borsa İstanbul A.Ş., with an amount of TL 429,574,000 (Note 11). The share purchase demand has been approved by Turkish Competition Authority on 30 June 2015, with decision numbered 61813209-120-6544. The Company has taken over the management of Kiler Alışveriş on 8 July 2015 and has paid the agreement amount of TL 429,574,000 by cash to the vendors on same day.

As a result of mandatory tender offer between 17 September - 5 October 2015, ownership rate of the Company has increased to 97.27% by paying additional TL 62,290,926 and has been started to consolidate by using full consolidation method as of 30 September 2015. The Company has decided legal merge with Kiler Alışveriş by acquisition method, with the Board decision on 20 October 2015. The legal merge has been approved by Capital Market Board ("CMB") on 27 November 2015, with decision numbered 32/1493. The legal merge has been realized by the decision of Extraordinary General Assembly held on 29 December 2015 and registered on 31 December 2015. The Company has intended to grow inorganically in the market with that business combination.

The Company and the Subsidiary referred to as the "Group".

The Board of Directors has approved the condensed consolidated financial statements and given authorization for the issuance on 28 April 2017. The General Assembly has the authority to amend the condensed consolidated financial statements.

2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of the Presentation

Principles for Preparation of Consolidated Financial Statements and Significant Accounting Policies

The accompanying condensed consolidated interim financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, condensed consolidated interim financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA").

The Group prepared its condensed consolidated interim financial statements for the period ended 31 March 2017, in accordance with the TAS 34 "Interim Financial Reporting" in the framework of the Communiqué Serial: XII and numbered 14.1 and its related announcements. The condensed consolidated interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Group preferred to present its consolidated interim financial statements in condensed version. The Group's condensed consolidated interim financial statements do not include all disclosures and notes that should be included at year-end financial statements. Therefore, the condensed consolidated interim financial statements should be considered together with the year-end financial statements.

The Company and its subsidiary maintain their accounting records and prepare their statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The condensed consolidated interim financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TL. These condensed consolidated interim financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

2.2 Financial Reporting in Hyperinflationary Economies

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the financial reporting standards accepted by the CMB ("CMB Financial Reporting Standards"). Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the POA, has not been applied in the financial statements for the accounting year commencing 1 January 2005.

2.3 Comparative Information and Restatement of Prior Periods' Consolidated Financial Statements

To allow for the determination of the financial situation and performance trends, the Group's condensed consolidated interim financial statements have been presented comparatively with the previous period. The Group presented consolidated balance sheet as of 31 March 2017 comparatively with the balance sheet as of 31 December 2016; comprehensive consolidated income statements, consolidated statements of cash flow and consolidated statements of change in shareholders' equity as of 31 March 2017 comparatively with the 31 March 2016 financial statements. Where necessary, comparative figures have been reclassified to conform to the changes in presentation in the current period.

Reclassifications made on the consolidated interim statements of profit or loss and other comprehensive income for the three-month period ended 31 March 2016 are presented as below:

- Common area participation income previously presented under marketing expenses amounting to TL 320,987 have been reclassified to revenue.

- Credit card chip points previously presented under revenue amounting to TL 8,494 have been reclassified to financial expenses.

- There of TL 1,869,434 of total depreciation and amortization expenses previously presented under cost of sales amounting to TL 2,265,308 have been reclassified to marketing expenses and TL 395,874 to general administrative expenses.

2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Comparative Information and Restatement of Prior Periods’ Consolidated Financial Statements

- Service procurement expenses previously presented under marketing expenses amounting to TL 414,309 have been reclassified to cost of sales.

2.4 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.5 Summary of significant accounting policies

The condensed consolidated interim financial statements for the period ended 31 March 2017 have been prepared in accordance with TAS 34 regarding to interim financial statements of TAS. The accounting policies used in the preparation of these condensed consolidated interim financial statements for the period ended 31 March 2017 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2016. Accordingly, these condensed consolidated interim financial statements should be considered with the annual consolidated financial statements as of and for the year ended 31 December 2016.

2.6 Amendments in Turkish Financial Reporting Standards

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

- TFRS 9 Financial Instruments (2017 version)

TFRS 9 Financial Instruments, has been published in January 2017, replaces the existing guidance in TAS 39 Financial Instruments Recognition and Measurement. This version includes referrals in earlier versions of TFRS 9 and revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from TAS 39. TFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

- TFRS 15 Revenue from Contracts with Customers

As issued in September 2016, the new standard replaces existing TFRS guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Company expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognizing revenue over time. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under TFRS. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA:

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the consolidated financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

- IFRS 16 Leases

On 13 January 2016, IASB published the new leasing standard which will replace IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently change IAS 40 Investment Properties. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15- Revenue from Contracts with Customers. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

- IFRIC 22 – Foreign Currency Transactions and Advance Consideration

The amendments clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The amendment is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions

IFRS 2 Share-Based Payment has been amended by IASB to improving consistency and resolve some long-standing ambiguities in share-based payment accounting. The amendments cover three accounting areas: i) measurement of cash-settled share-based payments, ii) classification of share-based payments settled net of tax withholdings; and iii) accounting for modification of a share-based payment from cash-settled to equity-settled. Also, same approach has been adopted for the measurement of cash-settled share-based payments as equity-settled share-based payments. If certain conditions are met, share-based payments settled net of tax withholdings are accounted for as equity-settled share-based payments. The amendments are effective for periods beginning on or after 1 January 2018, with earlier application permitted. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

- IAS 40 – Transfers of Investment Property

Amendments to IAS 40 - Transfers of Investment Property issued by IASB have been made to clarify uncertainty about that provide evidence of transfer of /from investment property to other asset groups. A change in management's intentions for the use of property does not provide evidence of a change in intended use. Therefore, when an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the statement of consolidated financial position) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. The amendment is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

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

2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Improvements to IFRSs

The IASB issued Annual Improvements to IFRSs - 2014–2016 Cycle. The amendments are effective as of 1 January 2018. Earlier application is permitted. The Group is in the process of assessing the impact of the improvements on consolidated financial position or performance of the Group.

Annual Improvements to IFRSs 2014-2016 Cycle

- IFRS 1 "First Time Adoption of International Financial Reporting Standards"

IFRS 1 is amended to clarify that the deletion of short-term exemptions for first-time adopters within the context of 'Annual Improvements to IFRSs 2012-2014 Cycle' related to disclosures for financial instruments, employee benefits and consolidation of investment entities.

- IFRS 12 "Disclosure of Interests in Other Entities"

The amendments clarify that the entity is not required to disclose summarized financial information for that subsidiary, joint venture or associate under the requirements of IFRS 12, when an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with IFRS 5.

- IAS 28 "Investments in Associates and Joint Ventures"

The amendment enable when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9.

3. CASH AND CASH EQUIVALENTS

	31 March 2017	31 December 2016
Cash on hand	10,944,736	26,254,077
Cash in transit (*)	9,309,972	12,695,038
Credit card receivables	182,923,130	219,195,656
Banks		
Demand deposit	40,869,722	16,054,678
Other	726,418	678,040
	244,773,978	274,877,489

(*) Cash in transit consists of bank balances that has not been reflected into deposit accounts due to value-date difference.

Related party balances in cash and cash equivalents are stated in Note 26.

The Group does not have any time deposits and blocked deposits as at 31 March 2017 and 31 December 2016.

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

4. FINANCIAL LIABILITIES

Short Term Financial Liabilities	31 March 2017	31 December 2016
Short Term Financial Liabilities from Related Parties		
Bank loans (*)	63,032,878	69,138,308
Other Short Term Financial Liabilities		
Bank loans (*)	776,491,196	740,834,609
	839,524,074	809,972,917

Short Term Portion of Long Term Liabilities	31 March 2017	31 December 2016
Short Term Portion of Long Term Financial Liabilities from Related Parties		
Bank loans (**)	-	4,905,363
Finance lease payables	31,466,091	30,010,996
Other Short Term Portion of Long Term Financial Liabilities		
Bank loans (**)	52,722,371	50,822,076
Finance lease payables	1,242,710	1,156,631
	85,431,172	86,895,066

Long Term Financial Liabilities		
Long Term Financial Liabilities from Related Parties		
Bank loans (**)	-	15,574,066
Finance lease payables	49,503,499	55,585,057
Other Long Term Financial Liabilities		
Bank loans (**)	374,189,353	383,342,597
Finance lease payables	23,105,176	21,123,540
	446,798,028	475,625,260

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

4. FINANCIAL LIABILITIES (Continued)

(*) As at 31 March 2017 and 31 December 2016 the details of short term bank loans are as follows:

Currency	Interest Rate	31 March 2017
TL	12.32%	757,293,401
USD	3.50%	18,193,000
	Interest accrual	64,037,673
		839,524,074

Currency	Interest Rate	31 December 2016
TL	11.65%	735,350,000
USD	3.50%	17,596,000
	Interest accrual	57,026,917
		809,972,917

(**) As at 31 March 2017 and 31 December 2016 the details of long term bank loans are as follows:

Currency	Interest Rate	31 March 2017
TL	12.75%	300,000,000
USD	4.50%	126,911,724
		426,911,724

Currency	Interest Rate	31 December 2016
TL	12.75%	300,000,000
USD	4.50%	134,164,674
EUR	3.50%	20,479,428
		454,644,102

Group's financial liabilities due to related parties are stated in Note 26.

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

4. FINANCIAL LIABILITIES (Continued)

Finance lease payables consist of the followings:

Finance lease payables	Present value of minimum lease payments	
	31 March 2017	31 December 2016
Within one year	35,934,775	34,606,971
Less: Future finance charges	(3,225,974)	(3,439,344)
Present value of finance lease obligations	32,708,801	31,167,627
Within two years and after	77,927,165	82,497,865
Less: Future finance charges	(5,318,490)	(5,789,268)
Present value of finance lease obligations	72,608,675	76,708,597

The Group's finance lease payables represent the present value of the future payables of the buildings and machinery and equipment that are rented by the third parties through their useful lives.

The details of property, plant and equipment acquired by finance lease as of 31 March 2017 and 2016 are disclosed at Note 9.

The repayment schedule of long-term borrowings as of 31 March 2017 and 31 December 2016 in TL equivalent as at balance sheet date is as stated below:

	31 March 2017	31 December 2016
2018	351,126,119	375,255,202
2019	38,534,460	42,167,316
2020	36,137,665	40,145,832
2021	1,120,107	955,276
2022 and after	19,879,677	17,101,634
	446,798,028	475,625,260

As of 31 March 2017 and 31 December 2016, there are no guarantees given related to the financial borrowings.

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

5. TRADE RECEIVABLES AND PAYABLES

Other Trade Receivables	31 March 2017	31 December 2016
Other trade receivables	34,830,216	34,419,497
Shopping mall receivables	16,931,611	14,593,883
Provision for doubtful trade receivables	(25,928,186)	(24,417,128)
	25,833,641	24,596,252
Due from related parties (Note 26)	17,518,507	13,502,779
Trade receivables	43,352,148	38,099,031

The movement of the allowance for doubtful receivables for the periods ended 31 March 2017 and 2016 is as follows:

	31 March 2017	31 March 2016
Opening balance	24,417,128	19,417,078
Collections / reversals	(661,829)	(1,579,395)
Charge for the period	2,172,887	3,941,816
Closing balance	25,928,186	21,779,499

Trade receivables due dates vary depending on the sector and entity and the average due dates are lower than three months. The Group evaluates the credibility of the receivable and the movement between the creation time of the receivable and reporting date when considering the collectability of its receivables. Due to the Group is working with a large number of clients, credit risk of the Group has been scattered and there is no concentrated credit risk.

The guarantees received for the Group's trade receivables are as follows:

	31 March 2017	31 December 2016
Letters of guarantee received for shopping mall receivables	21,914,954	21,173,831
	21,914,954	21,173,831

Short Term Trade Payables	31 March 2017	31 December 2016
Trade payables	926,339,659	1,005,444,420
Due to related parties (Note 26)	24,978,130	25,206,812
	951,317,789	1,030,651,232

Average payment terms of commodity purchase are varying depending on sector and suppliers. Average payment terms in grocery sector is less than a month, in other sectors average payment term is less than three months.

6. DERIVATIVES

Derivative Instruments	31 March 2017	31 December 2016
Assets:		
Short term commitment - hedging assets	46,018,075	40,242,872
	46,018,075	40,242,872

The Group's policy is to prevent all material foreign currency exchange risk related to commitments denominated US Dollar.

In accordance with the Group's foreign exchange risk management strategy, foreign currency exchange risks arising from future lease receivables in US Dollar are hedged with the borrowings in US Dollar. The type of hedging relationship is fair value hedging.

As of 31 March 2017, TL 208,381,261 equivalent of USD 57,269,626 (USD 57,049,152 principal and accrued interest of USD 220,474) has been subjected to hedge accounting (31 December 2016: TL 240,831,303 equivalent of USD 62,596,332 (USD 62,355,351 principal and accrued interest of USD 240,981) and EUR 5,537,155 (EUR 5,520,249 principal and accrued interest of EUR 16,906)).

7. INVENTORIES

	31 March 2017	31 December 2016
Trade goods	582,208,312	576,390,767
Impairment of inventories	(7,851,979)	(16,789,199)
	574,356,333	559,601,568

The movement of allowance for impairment on inventory for the periods ended 31 March 2017 and 2016 are as follows:

	31 March 2017	31 March 2016
Opening balance	16,789,199	10,278,511
Charge for the period	212,657	1,344,287
Reversal of current period	(9,149,877)	(1,723,549)
Closing balance	7,851,979	9,899,249

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

8. INVESTMENT PROPERTIES

	Land	Buildings	Machinery and Equipment	Total
Cost				
Opening balance at 1 January 2017	80,691,369	170,182,602	37,474,777	288,348,748
Additions	-	-	180,000	180,000
Closing balance at 31 March 2017	80,691,369	170,182,602	37,654,777	288,528,748
Accumulated depreciation				
Opening balance at 1 January 2017	-	(39,476,634)	(23,446,370)	(62,923,004)
Depreciation charge of the period	-	(961,936)	(505,849)	(1,467,785)
Closing balance at 31 March 2017	-	(40,438,570)	(23,952,219)	(64,390,789)
Net book value as of 31 March 2017	**80,691,369**	**129,744,032**	**13,702,558**	**224,137,959**

The Group generated rent income amounting to TL 19,767,118 from the investment properties (31 March 2016: TL 21,565,342). The operating costs related with investment properties including the depreciation charge for the period are amounting to TL 4,107,844 (31 March 2016: TL 4,386,127). From the depreciation expenses, TL 19,078,309 (31 March 2016: TL 24,428,026) is included in marketing expenses and TL 7,528,859 (31 March 2016: TL 4,983,858) is included in general administrative expenses.

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

8. INVESTMENT PROPERTIES (Continued)

	Land	Buildings	Machinery and Equipment	Total
Cost				
Opening balance at 1 January 2016	80,691,369	170,084,111	37,291,748	288,067,228
Additions	-	-	18,001	18,001
Closing balance at 31 March 2016	80,691,369	170,084,111	37,309,749	288,085,229
Accumulated depreciation				
Opening balance at 1 January 2016	-	(35,631,099)	(21,665,180)	(57,296,279)
Depreciation charge of the period	-	(961,289)	(500,388)	(1,461,677)
Closing balance at 31 March 2016	-	(36,592,388)	(22,165,568)	(58,757,956)
Net book value as of 31 March 2016	**80,691,369**	**133,491,723**	**15,144,181**	**229,327,273**

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

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Buildings Purchased by Finance Lease	Machinery and Equipment	Other Tangible Assets	Construction in Progress	Total
Cost							
Opening balance at 1 January 2017	195,684,581	287,195,242	20,512,454	902,568,179	23,761,344	5,804,798	1,435,526,598
Additions	-	93,941	-	1,865,793	4,763	1,688,785	3,653,282
Transfers	-	58,000	-	713,000	-	(771,000)	-
Disposals (*)	(16,510,977)	(10,211,074)	-	(5,760,346)	(139,079)	-	(32,621,476)
Closing balance at 31 March 2017	179,173,604	277,136,109	20,512,454	899,386,626	23,627,028	6,722,583	1,406,558,404
Accumulated depreciation							
Opening balance at 1 January 2017	-	(134,122,240)	(6,895,957)	(613,846,279)	(15,143,012)	-	(770,007,488)
Depreciation charge of the period	-	(1,683,056)	(100,110)	(16,427,868)	(449,387)	-	(18,660,421)
Impairment (i)	-	490	-	939,300	22,282	-	962,072
Disposals (*)	-	2,863,322	-	3,657,011	91,013	-	6,611,346
Closing balance at 31 March 2017	-	(132,941,484)	(6,996,067)	(625,677,836)	(15,479,104)	-	(781,094,491)
Net book value as of 31 March 2017	**179,173,604**	**144,194,625**	**13,516,387**	**273,708,790**	**8,147,924**	**6,722,583**	**625,463,913**

(i) The Group reversed impairment provision for loss making stores amounting to TL 962,072 as it is no longer required (31 March 2016: The Group reversed impairment provision for loss making stores amounting to TL 674,689 as it is no longer required). The impairment provision no longer required is recognized in Other Income from Main Operations.

(*) The Group sold one real estate located in Istanbul in March 2017. It also includes the disposals belonging to the stores that were closed during the period.

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Buildings	Buildings Purchased by Finance Lease	Machinery and Equipment	Other Tangible Assets	Construction in Progress	Total
Cost							
Opening balance at 1 January 2016	205,473,861	304,072,360	20,512,454	894,588,938	24,921,232	23,552,233	1,473,121,078
Additions	-	211,763	-	14,930,433	134,466	1,614,054	16,890,716
Transfers (Note 10)	-	(7,316,500)	-	9,572,808	2,595	(2,435,882)	(176,979)
Disposals	-	(913,500)	-	(7,093,172)	(86,283)	(237,769)	(8,330,724)
Closing balance at 31 March 2016	205,473,861	296,054,123	20,512,454	911,999,007	24,972,010	22,492,636	1,481,504,091
Accumulated depreciation							
Opening balance at 1 January 2016	-	(122,377,291)	(6,495,516)	(502,727,538)	(6,834,958)	-	(638,435,303)
Depreciation charge of the period	-	(2,408,882)	(100,110)	(19,347,186)	(773,789)	-	(22,629,967)
Impairment	-	-	-	669,297	5,392	-	674,689
Disposals	-	359,760	-	821,367	15,085	-	1,196,212
Closing balance at 31 March 2016	-	(124,426,413)	(6,595,626)	(520,584,060)	(7,588,270)	-	(659,194,369)
Net book value as of 31 March 2016	**205,473,861**	**171,627,710**	**13,916,828**	**391,414,947**	**17,383,740**	**22,492,636**	**822,309,722**

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

10. INTANGIBLE ASSETS

Other Intangible Assets

Cost	**Total**
Opening balance at 1 January 2017	161,986,946
Additions	3,789,900
Disposals	(55,432)
Closing balance at 31 March 2017	165,721,414
Accumulated amortization	
Opening balance at 1 January 2017	(86,653,963)
Charge for the period	(6,478,962)
Impairment (i)	73,432
Disposals	19,688
Closing balance at 31 March 2017	(93,039,805)
Net book value as of 31 March 2017	72,681,609

Cost	**Total**
Opening balance at 1 January 2016	150,259,084
Additions	2,063,463
Transfers	176,979
Disposals	(555,299)
Closing balance at 31 March 2016	151,944,227
Accumulated amortization	
Opening balance at 1 January 2016	(63,516,127)
Charge for the period	(5,320,240)
Impairment (i)	(189,777)
Disposals	50,090
Closing balance at 31 March 2016	(68,976,054)
Net book value as of 31 March 2016	82,968,173

(i) As of 31 March 2017, the Group reversed impairment provision for intangible assets amounting to TL 73,432 as it is no longer required (As of 31 March 2016, as no future cash flow can be generated in the future, the Group has recognized impairment provision for intangible assets amounting TL 189,777).

The intangible assets are mainly consisting of excess cash paid for asset acquisitions and software programs.

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

11. GOODWILL

Goodwill amount is consisted of following investments:

Investments:	31 March 2017	31 December 2016
Kiler Alışveriş	545,936,260	545,936,260
Gima	180,159,453	180,159,453
Alpark	48,301,156	48,301,156
	774,396,869	774,396,869

12. SHORT AND LONG TERM PROVISIONS

Provisions for short term liabilities as of 31 March 2017 and 31 December 2016 are as follows:

Short Term Provisions	31 March 2017	31 December 2016
Provision for other, risk, litigations and onerous contracts	91,361,299	112,359,339
Provision for personnel and social security	1,350,000	1,350,000
Other	5,399,042	13,683,587
	98,110,341	127,392,926

Movements of provision for short term liabilities as of 31 March 2017 and 2016 are as follows:

	Provision for other, risk, litigations and onerous contracts	Provision for personnel and social security	Other	Total
Opening balance, 1 January 2017	112,359,339	1,350,000	13,683,587	127,392,926
Charge of the period	9,150,435	-	-	9,150,435
Current period reversal / charge	(30,148,475)	-	(8,284,545)	(38,433,020)
Closing balance, 31 March 2017	91,361,299	1,350,000	5,399,042	98,110,341

	Provision for other, risk, litigations and onerous contracts	Provision for personnel and social security	Other	Total
Opening balance, 1 January 2016	72,127,309	1,350,000	12,035,216	85,512,525
Charge of the period	2,857,064	-	19,453,151	22,310,215
Current period reversal / charge	(626,729)	-	(7,173,292)	(7,800,021)
Closing balance, 31 March 2016	74,357,644	1,350,000	24,315,075	100,022,719

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

12. SHORT AND LONG TERM PROVISIONS (Continued)

Contingent Assets and Liabilities

There are lawsuits which are filed against the Group and continuing as at balance sheet date. Primary lawsuits consist of the cases with Social Security Institution about the premiums of foreign employees working in Turkey, debt, rent and labor cases. At each balance sheet date, the management of the Group evaluates the probable results of those cases and accordingly provisions are provided.

Provisions for employment benefits as of 31 March 2017 and 31 December 2016 are as follows:

Short Term Employment Benefits	31 March 2017	31 December 2016
Unused vacation provision	8,507,446	7,660,305
	8,507,446	7,660,305

Long Term Employment Benefits	31 March 2017	31 December 2016
Employment termination benefit provision	49,388,637	48,120,758
	49,388,637	48,120,758

Movement for employment termination benefit provision for 31 March 2017 and 2016 are as follows:

	31 March 2017	31 March 2016
Opening balance at 1 January	48,120,758	47,451,671
Service cost	11,661,541	17,376,011
Interest cost	1,693,851	1,551,000
Paid compansation during the period (*)	(12,087,513)	(15,328,295)
Closing balance at 31 March	49,388,637	51,050,387

(*) The Group management has made compensation payment as part of restructuring.

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

13. LETTER OF GUARANTEES, PLEDGES AND MORTGAGES

GPM given by the Group

	31 March 2017	31 December 2016
A. GPM given on behalf of its own legal entity	79,022,423	77,683,659
B. GPM given on behalf of consolidated subsidiaries	-	-
C. Total amount of GPM given on behalf of other third parties' debt	-	-
D. Other GPM	-	-
i. Total amount of GPM given on behalf of the Parent	-	-
ii. Total amount of GPM given on behalf of other group companies not covered in B and C	-	-
iii. Total amount of GPM given on behalf of third parties not covered in C	-	-
	79,022,423	77,683,659

31 March 2017	Total TL	TL	USD (TL Equivalents)	EUR (TL Equivalents)
Letter of guarantees	79,022,423	76,679,719	1,985,326	357,378
	79,022,423	76,679,719	1,985,326	357,378

31 December 2016	Total TL	TL	USD (TL Equivalents)	EUR (TL Equivalents)
Letter of guarantees	77,683,659	75,424,244	1,920,178	339,237
	77,683,659	75,424,244	1,920,178	339,237

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

14. EMPLOYMENT BENEFITS

Employee Benefit Liabilities	31 March 2017	31 December 2016
Payables to personnel and Social Security Premium payables	32,242,569	21,297,461
Personnel salary and premium payables	23,335,180	4,104,644
	55,577,749	25,402,105

15. OTHER LIABILITIES

Other short term liabilities as of 31 March 2017 and 31 December 2016 are as follows:

Other Current Liabilities	31 March 2017	31 December 2016
Unearned income	11,697,070	12,775,105
Accrued expenses	656,091	1,128,462
Liabilities for shopping cheques	216,641	686,327
	12,569,802	14,589,894

16. SHAREHOLDERS' EQUITY

a) Capital

Shareholder structure as of 31 March 2017 and 31 December 2016 is stated below:

Shareholders	(%)	31 March 2017	(%)	31 December 2016
Hacı Ömer Sabancı Holding A.Ş.	50.61	354,239,053	50.61	354,239,053
Carrefour Nederland BV	46.02	322,129,074	46.02	322,129,074
Shares publicly held	2.55	17,827,391	2.55	17,827,391
Other	0.83	5,804,482	0.83	5,804,482
Nominal share capital	100.00	700,000,000	100.00	700,000,000

The issued capital of the Group is TL 700,000,000 (31 December 2016: TL 700,000,000) as of 31 March 2017 with a nominal value of 1 KR of 70,000,000,000 shares (31 December 2016: 70,000,000,000 shares).

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

16. SHAREHOLDERS' EQUITY (Continued)

The inflation adjustment on share capital as of 31 March 2017 and 31 December 2016 are as follows:

	31 March 2017	31 December 2016
Inflation adjustment to share capital	91,845,783	91,845,783
	91,845,783	91,845,783

b) Retained Losses

	31 March 2017	31 December 2016
Retained losses	(463,854,309)	(31,687,012)
	(463,854,309)	(31,687,012)

Publicly listed companies distribute dividends in accordance with the requirements of CMB as explained below: In accordance with the CMB's decree issued on 23 January 2014, in relation to the profit distribution of earnings derived from the operations, minimum profit distribution is not required for listed companies, and accordingly, profit distribution should be made based on the requirements set out in the CMB's Communiqué Serial:II, No: 19.1 "Principles of Dividend Advance Distribution of Companies That Are Subject To The CMB Regulations", terms of articles of association and profit distribution policies publicly disclosed by the companies.

Furthermore, based on the afore-mentioned decree, companies that are required to prepare consolidated financial statements should calculate their net distributable profits, to the extent that they can be recovered from equity in their statutory records, by considering the net profit for the period in the consolidated financial statements which are prepared and disclosed in accordance with the Communiqué Serial: XI, No: 29.

The inflation adjustment differences from the valuation studies for TFRS purposes for those as of the balance sheet date that have not been subject to profit distribution or capital increase have been presented under retained earnings.

With respect to the Corporate Tax Law ("CTL") 5/1-e article, the Group has to keep restricted reserves amounting to TL 75,501,586 which is related to property sales in 2014 and 2015 and TL 37,034,036 which is related Kiler acquisition, in its corporate tax base financial statements for 5 years.

c) Restricted Reserves

	31 March 2017	31 December 2016
Legal reserves	12,318,358	12,318,358
	12,318,358	12,318,358

Restricted reserves appropriated from profit are composed of legal reserves. Legal reserves comprise of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to the Turkish Commercial Code, legal reserves can be only used to offset losses unless they exceed the 50% of paid-in capital. Other than that, legal reserves must not be used whatsoever.

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

16. SHAREHOLDERS' EQUITY (Continued)

In accordance with the CMB's requirements which were effective until 1 January 2008, the amount generated from the first-time application of inflation adjustments on financial statements, and followed under the "accumulated loss" item was taken into consideration as a reduction in the calculation of profit distribution based on the inflation adjusted financial statements within the scope of the CMB's regulation issued on profit distribution. The related amount that was followed under the "accumulated loss" item could also be offset against the profit for the period (if any) and undistributed retained earnings and the remaining loss amount could be offset against capital reserves arising from the restatement of extraordinary reserves, legal reserves and equity items, respectively.

In addition, in accordance with the CMB's requirements which were effective until 1 January 2008, at the first-time application of inflation adjustments on financial statements, equity items, namely "Capital issue premiums", "Legal reserves", "Statutory reserves", "Special reserves" and "Extraordinary reserves" were carried at nominal value in the balance sheet and restatement differences of such items were presented in equity under the "Shareholders' equity inflation restatement differences" line item in aggregate. "Shareholders' equity inflation restatement differences" related to all equity items could only be subject to the capital increase by bonus issue or loss deduction, while the carrying value of extraordinary reserves could be subject to the capital increase by bonus issue; cash profit distribution or loss deduction.

However, in accordance with the CMB's Decree Volume: XI; No: 29 issued on 1 January 2008 and other related CMB's announcements, "Paid-in capital", "Restricted reserves" and "Premium in excess of par" should be carried at their registered amounts in statutory records. Restatement differences (e.g. inflation restatement differences) arising from the application of the Decree should be associated with:

- "Capital restatement differences" account, following the "Paid-in capital" line item in the financial statements, if such differences are arising from "Paid-in Capital" and not added to capital;
- "Retained earnings/Accumulated loss", if such differences are arising from "Restricted reserves" and "Premium in excess of par" and has not been subject to profit distribution or capital increase.

Capital restatement differences can only be included in capital.

d) Other Comprehensive Income / Expense not to be Reclassified to Profit and Loss

	31 March 2017	31 December 2016
Actuarial losses	(488,774)	(488,774)
	(488,774)	(488,774)

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

17. REVENUE AND COST OF SALES

NET SALES	1 January - 31 March 2017	1 January - 31 March 2016
Revenue from retail operations	1,031,580,878	1,091,446,015
Loyalty program discounts	(1,808,984)	(7,406,357)
Sales returns	(6,674,912)	(12,224,799)
Sales discount	(486,192)	(151,943)
Rent income	24,062,250	26,026,597
	1,046,673,040	1,097,689,513

COST OF SALES	1 January - 31 March 2017	1 January - 31 March 2016
Opening balance of inventories	(559,601,568)	(614,047,732)
Purchases	(786,898,354)	(873,212,447)
Closing balance of inventories	574,356,333	665,695,578
Shopping mall general expenses	(4,169,137)	(4,271,334)
	(776,312,726)	(825,835,935)

18. MARKETING AND GENERAL ADMINISTRATIVE EXPENSES

Operating expenses for the periods ended 31 March 2017 and 2016 are as follows:

OPERATING EXPENSES	1 January - 31 March 2017	1 January - 31 March 2016
Marketing expenses	(252,554,307)	(279,701,345)
General administrative expenses	(27,855,096)	(29,669,628)
	(280,409,403)	(309,370,973)

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

19. EXPENSES BY NATURE

	1 January - 31 March 2017	1 January - 31 March 2016
Personnel expenses	(120,023,160)	(135,343,372)
Rent expenses	(57,447,857)	(63,436,573)
Depreciation and amortization expenses	(26,607,168)	(29,411,884)
Overhead expenses	(17,630,147)	(20,882,362)
Advertising expenses	(11,970,443)	(12,580,600)
Repair and maintenance expenses	(10,239,128)	(8,485,353)
Outsourced expenses	(9,499,750)	(9,830,007)
Stationery consumption expenses	(5,434,851)	(5,071,013)
Consultancy expenses	(2,149,404)	(3,685,567)
Travel expenses	(2,131,653)	(2,129,790)
Taxation and other expenses	(2,075,970)	(3,260,898)
Insurance expenses	(1,585,509)	(1,425,057)
Decoration material expenses	(699,539)	(704,898)
Communication expenses	(583,128)	(619,446)
Other	(12,331,696)	(12,504,153)
	(280,409,403)	(309,370,973)

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

20. OTHER INCOME AND EXPENSES FROM MAIN OPERATIONS

Other operating income/expenses from main operations for the periods ended 31 March 2017 and 2016 are as follows:

Other operating income	1 January - 31 March 2017	1 January - 31 March 2016
Provisions no longer required (i)	20,913,550	558,651
Foreign exchange gain from operational activities	2,490,330	13,001,535
Impairments no longer required (ii)	1,035,504	674,689
Interest income from time deposit less than 3 months	22,544	92,370
Other income	1,429,996	3,601,101
	25,891,924	17,928,346

(i) Provision no longer required consists of releases of provisions provided for matters in dispute and risks in previous periods.

(ii) As of 31 March 2017 the Group reversed the impairment provision amounting to TL 1,035,504 which was provided for loss making stores in previous periods, as it was no longer required (31 March 2016: TL 674,689)

Other operating expenses (-)	1 January - 31 March 2017	1 January - 31 March 2016
Interest expenses from purchases via credit	(12,509,602)	(14,878,183)
Provision expenses (i)	(8,485,641)	(22,310,216)
Foreign exchange losses from operational activities	(4,620,400)	(13,116,029)
Interest expenses from operational activities	(154,595)	(403,056)
Impairment provision (ii)	-	(189,777)
Other expenses and losses	(7,618,094)	(10,675,445)
	(33,388,332)	(61,572,706)

(i) The provision expenses are mainly consisting of risk and legal provisions.

(ii) As of 31 March 2016, the Group provided impairment provision amounting to TL 189,777 for intangible assets due to no future cash flow can be created from the mentioned assets.

21. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January - 31 March 2017	1 January - 31 March 2016
Gain on sale of property, plant and equipment (*)	21,289,283	-
	21,289,283	-

(*) In March 2017, the Group management has sold one real estate located in İstanbul.

22. FINANCIAL INCOME

None (1 January - 31 March 2016: None).

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

23. FINANCIAL EXPENSES

Financial expenses for the periods ended 31 March 2017 and 2016 are as follows:

Financial Expenses	1 January - 31 March 2017	1 January - 31 March 2016
Interest expenses	(38,867,416)	(31,936,001)
Credit card commision expenses	(1,064,152)	(2,399,743)
	(39,931,568)	(34,335,744)

24. TAX ASSETS AND LIABILITIES

Tax Expense of the Period	1 January - 31 March 2017	1 January - 31 March 2016
Corporate tax expense of the period	-	-
Deferred tax income	13,297,543	21,514,424
Tax income from continuing operations	13,297,543	21,514,424

Corporate tax:

The Group is subject to taxation in accordance with the tax regulation and the tax legislation effective in Turkey. Required provisions are made in the accompanying consolidated financial statements for the estimated tax charge based on the Group's results for the current period. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a corporate tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

Corporate tax is applied to the total income, after adjusting for certain disallowable expenses and exempt income.

In 2017, effective tax rate is 20% (2016: 20%).

In Turkey, temporary corporate tax is calculated and filed quarterly. Losses can be carried forward for a maximum period of five years to offset against future taxable income. However, losses cannot be carried back to offset profits from previous periods.

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. Tax authorities may, however, inspect tax returns and the related accounting records and may revise assessments within five years.

24. TAX ASSETS AND LIABILITIES (Continued)

Income withholding tax:

In addition to corporate taxes, companies should also calculate income withholding tax surcharge on any dividends distributed, except for resident companies in Turkey which include this dividend income in their taxable profit for the related period and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003.

This rate was changed to 15% with the resolution of Council of Ministers on 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, companies can deduct 40% of their investment expenditures from the taxable income, within the scope of the investment incentive certificate and that are directly related to production facilities. The investments without investment incentive certificates do not qualify for tax allowance.

Application of Investment Incentive:

Upon the Constitutional Court's resolution no: 2009/144 dated 1 August 2010 published in the Official Gazette No: 27659 on 8 January 2010, the Provisional Article No: 69 of Income Tax Law No: 193, which requires the offsetting against the earnings solely for the periods related to 2006, 2007 and 2008 has been annulled based on being contradictory to the Constitution, based on the new resolution, while computing tax base, the investment incentive deduction could not exceed 25% of the taxable income. Again, with this amendment, current 20% corporate tax rate decided to be applied on those who benefit from investment incentive, not 30%.

The article of "the amount subject to deduction as exemption of investment allowance in tax basis determination cannot exceed 25% of relevant earnings" which was added to the first clause of 69th temporary article of Income Tax Law, and 5th article of Law No: 6009 has been canceled due to fact that it is against to Law by the decision of the Constitutional Court E. numbered 2010/93 K. 2012/20 and dated as of 9 February 2012. The decision of the Constitutional Court published at the Official Gazette dated 18 February 2012 and numbered 28208.

As of 31 March 2017 and 31 March 2016 the Group has no income tax liabilities.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for TFRS purposes and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with TFRS and tax legislation.

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

24. TAX ASSETS AND LIABILITIES (Continued)

Deferred tax calculation by using the rate of 20%, for the periods ended 31 March 2017 and 31 December 2016 is as follows:

The basis for deferred tax timing differences:	31 March 2017	31 December 2016
Reserve for onerous contract and other contingencies	100,816,703	130,545,113
Provision for impairment in fixed assets	116,237,425	132,324,275
Inventory valuation differences	92,250,318	87,550,087
Other current assets	(22,234,274)	(11,014,504)
Provision for employment termination benefit	49,388,637	48,120,758
Tangible and intangible fixed assets	(171,984,889)	(167,710,593)
Other short term liabilities	(2,323,868)	2,634,403
Finance lease obligations	25,149,870	23,192,832
Carry forward tax losses	739,038,614	613,656,351
Other	2,244,223	2,796,321
	928,582,759	862,095,043

Deferred tax assets / (liabilities):	31 March 2017	31 December 2016
Reserve for onerous contract and other contingencies	20,163,341	26,109,023
Provision for impairment in fixed assets	23,247,485	26,464,855
Inventory valuation differences	18,450,064	17,510,017
Other current assets	(4,446,855)	(2,202,901)
Provision for employment termination benefit	9,877,727	9,624,152
Tangible and intangible fixed assets	(34,396,978)	(33,542,119)
Other short term liabilities	(464,774)	526,881
Finance lease obligations	5,029,974	4,638,566
Carry forward tax losses	147,807,723	122,731,270
Other	448,843	559,263
	185,716,550	172,419,007

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

24. TAX ASSETS AND LIABILITIES (Continued)

Carry forward tax losses

In accordance with the Turkish taxation legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods. The Group estimates that it will be able to utilize the deductible carry forward tax losses using the estimated profits in the following years. The expiration dates of such carry forward tax losses are as follows:

	31 March 2017	31 December 2016
2019	11,238,173	11,238,173
2020	18,011,218	18,011,218
2021	584,406,960	584,406,960
2022	125,382,263	-
	739,038,614	613,656,351

The movements of deferred tax asset and liability as of 31 March 2017 and 2016 are as follows:

Deferred tax asset movements:	31 March 2017	31 March 2016
Openning balance at 1 January	172,419,007	70,647,886
Current period income	13,297,543	21,514,424
Acquired deferred tax asset with business combination	-	115,088
Closing balance at 31 March	185,716,550	92,277,398

25. EARNINGS PER SHARE

Weighted average number of shares and basic earnings per share for the periods ended 31 March 2017 and 2016 are as follows:

	31 March 2017	31 March 2016
Opening, number of shares - Beginning of period (Note 16)	70,000,000,000	11,383,930,257
Share addition	-	58,616,069,743
Closing, number of shares - End of period (total)	70,000,000,000	70,000,000,000
Weighted average number of shares (Note 16)	70,000,000,000	70,000,000,000
Net loss for the period (TL)	(22,890,239)	(93,983,075)
Loss per share gain (Kr)	(0.0327)	(0.1343)

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

26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Cash and cash equivalents (Note 3)	31 March 2017	31 December 2016
Akbank T.A.Ş.	90,952,490	71,646,013
	90,952,490	71,646,013

Trade receivables from related parties-trade (Note 5)	31 March 2017	31 December 2016
Carrefour World Trade	16,127,199	11,855,080
Akbank T.A.Ş.	531,211	272,565
Carrefour Romania	262,035	925,878
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş.	218,409	-
Carrefour Global Sourcing Asia	144,026	48,155
Carrefour Nederland BV	85,590	178,951
Ak Finansal Kiralama A.Ş.	36,918	36,918
Teknosa İç ve Dış Ticaret A.Ş.	34,967	96,355
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	-	9,700
Other	78,152	79,177
	17,518,507	13,502,779

Financial liabilities (Note 4)	31 March 2017	31 December 2016
Akbank T.A.Ş.	63,032,878	89,617,737
Ak Finansal Kiralama A.Ş.	80,969,590	85,596,053
	144,002,468	175,213,790

Trade payables to related parties (Note 5)	31 March 2017	31 December 2016
Aksigorta A.Ş.	7,666,687	230,909
Philip Morris Sabancı Sigara ve Tütüncülük Sanayi ve Tic. A.Ş.	7,024,719	8,656,362
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	5,247,541	-
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş.	4,617,800	9,352,909
Teknosa İç ve Dış Ticaret A.Ş.	126,125	421,447
Brisa-Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	52,278	653,950
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş.	-	5,599,019
Other	242,980	292,216
	24,978,130	25,206,812

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

26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Other short term payables to related parties	31 March 2017	31 December 2016
Hacı Ömer Sabancı Holding A.Ş.	4,119,735	4,371,040
Carrefour Partenariat International	2,599,381	2,756,324
	6,719,116	7,127,364

Purchases from related parties (goods)	1 January - 31 March 2017	1 January - 31 March 2016
Philip Morris Sabancı Sigara ve Tütüncülük Sanayi ve Tic. A.Ş.	39,195,164	33,616,802
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	38,803	122,646
	39,233,967	33,739,448
Purchases from related parties (services)		
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	13,890,407	-
Aksigorta A.Ş.	1,754,231	1,696,072
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş.	1,491,563	1,355,411
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş.	671,573	11,889,125
Teknosa İç ve Dış Ticaret A.Ş.	90,314	53,718
Other	144,678	160,022
	18,042,766	15,154,348
Rent income from related parties		
Teknosa İç ve Dış Ticaret A.Ş.	1,103,596	1,256,470
Akbank T.A.Ş.	423,837	235,901
	1,527,433	1,492,371
Rebates and other income from related parties		
Carrefour World Trade	4,834,521	3,023,708
Philip Morris Sabancı Sigara ve Tütüncülük Sanayi ve Ticaret A.Ş.	803,873	652,376
Akbank T.A.Ş.	486,673	304,450
Carrefour Romania	293,846	123,188
Carrefour Global Sourcing Asia	169,861	1,326,183
Kordsa Teknik Tekstil A.Ş.	114,816	114,183
Akçansa Çimento Sanayi ve Ticaret A.Ş.	92,221	96,491
Carrefour Nederland BV	85,590	-
Brisa-Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	67,683	24,347
Ak Yatırım Menkul Değerler A.Ş.	49,171	6,036
Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş.	30,816	582
Avivasa Emeklilik ve Hayat A.Ş.	1,776	31,128
Teknosa İç ve Dış Ticaret A.Ş.	42	205,013
Carrefour Partenariat International	-	83,116
Other	20,561	3,576
	7,051,450	5,994,377

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

26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Other expense to related parties	1 January - 31 March 2017	1 January - 31 March 2016
Hacı Ömer Sabancı Holding A.Ş.	3,495,440	3,678,396
Carrefour Partenariat International	2,559,972	2,695,587
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş.	-	101,480
	6,055,412	6,475,463

	1 January - 31 March 2017	1 January - 31 March 2016
Interest income from related parties		
Akbank T.A.Ş.	2,378	78,062
Interest expense and credit card commission to related parties		
Akbank T.A.Ş.	3,793,483	4,618,126

The Group key management consists of executive board and board of directors. The total amount of benefits for the key management personnel in the current period is as follows:

	1 January - 31 March 2017	1 January - 31 March 2016
Salaries and other short term benefits	2,805,958	2,540,822
Other long term benefits	62,231	78,630
	2,868,189	2,619,452

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

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Foreign Currency Risk

Foreign currency denominated transactions create foreign exchange risks. The Group uses derivative financial instruments to avoid financial risks occurs from operations, financial agreements and cash flows.

The foreign currency denominated assets and liabilities of monetary items are as follows:

	31 March 2017		
	TL Equivalents (Functional currency)	USD	EUR
1. Trade receivables	26,844,205	725,737	6,192,856
2. Liquid assets	16,714,911	2,390,515	2,051,220
3. CURRENT ASSETS	43,559,116	3,116,252	8,244,076
4. Other	36,503,187	9,119,203	850,000
5. NON-CURRENT ASSETS	36,503,187	9,119,203	850,000
6. TOTAL ASSETS	80,062,303	12,235,455	9,094,076
7. Trade payables	4,433,297	292,930	861,613
8. Other payables	2,599,380	-	665,092
9. Financial liabilities	19,651,145	5,059,208	317,967
10. Non-monetary other liabilities	2,260,041	619,583	1,440
11. CURRENT LIABILITIES	28,943,863	5,971,721	1,846,112
12. Financial liabilities	23,105,587	-	5,911,928
13. NON-CURRENT LIABILITIES	23,105,587	-	5,911,928
14. TOTAL LIABILITIES	52,049,450	5,971,721	7,758,040
15. Net foreign currency asset-liability position	28,012,853	6,263,734	1,336,036
16. Net monetary foreign currency asset / liability position	39,125,819	2,823,322	7,382,463
17. Fair value of financial instruments uses for foreign currency hedge	-	-	-
18. Hedged amount of foreign currency denominated assets	-	-	-
19. Import	1,358,140	-	337,706

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

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign Currency Risk (Continued)

	31 December 2016		
	TL Equivalents (Functional currency)	**USD**	**EUR**
1. Trade receivables	16,481,415	809,475	3,674,684
2. Liquid assets	9,237,563	2,291,847	315,937
3. CURRENT ASSETS	25,718,978	3,101,322	3,990,621
4. Other	35,159,142	9,094,603	850,000
5. NON-CURRENT ASSETS	35,159,142	9,094,603	850,000
6. TOTAL ASSETS	60,878,120	12,195,925	4,840,621
7. Trade payables	6,379,548	1,237,721	545,502
8. Other payables	2,756,324	-	742,964
9. Financial liabilities	18,799,334	5,013,271	311,769
10. Non-monetary other liabilities	2,168,182	614,583	1,440
11. CURRENT LIABILITIES	30,103,388	6,865,575	1,601,675
12. Financial liabilities	21,123,952	-	5,693,941
13. NON-CURRENT LIABILITIES	21,123,952	-	5,693,941
14. TOTAL LIABILITIES	51,227,340	6,865,575	7,295,616
15. Net foreign currency liability position	9,650,780	5,330,350	(2,454,995)
16. Net monetary foreign currency asset / liability position	19,339,430	1,863,601	3,445,119
17. Fair value of financial instruments uses for foreign currency hedge	-	-	-
18. Hedged amount of foreign currency denominated assets	-	-	-
19. Import	4,308,279	358,597	821,128

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign Currency Risk (Continued)

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising primarily from USD and EUR. The following table demonstrates the sensitivity of the Group to a possible change of 10% in US dollar and EUR rates. 10% is a reasonable rate as it is limited with 10% share capital commitment. Sensitivity analysis based on the foreign exchange risk at the reporting date, is identified with the changes at the beginning of the fiscal year and kept constant during the fiscal period. Negative value implies the effect of 10% increase in USD and in EUR foreign currency rates against TL on the decrease in the net profit.

	31 March 2017			
	Income / Expense		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TL				
1 - US Dollar net asset / liability	2,279,122	(2,279,122)	-	-
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 +2)	2,279,122	(2,279,122)	-	-
In case of 10% appreciation of EUR against TL				
4 - Euro net asset / liability	522,163	(522,163)	-	-
5 - Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4 +5)	522,163	(522,163)	-	-
TOTAL (3 + 6)	2,801,285	(2,801,285)	-	-

	31 December 2016			
	Income / Expense		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TL				
1 - US Dollar net asset / liability	1,875,857	(1,875,857)	-	-
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 +2)	1,875,857	(1,875,857)	-	-
In case of 10% appreciation of EUR against TL				
4 - Euro net asset / liability	(910,779)	910,779	-	-
5 - Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4 +5)	(910,779)	910,779	-	-
TOTAL (3 + 6)	965,078	(965,078)	-	-

28. EVENTS AFTER THE BALANCE SHEET DATE

None.

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