

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2016 AND 2015

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

	2016	2015
ASSETS		
Current Assets	1.039.890.473	979.937.922
Cash and Cash Equivalents	274.877.489	274.088.979
Trade Receivables		
Due From Related Parties	13.502.779	11.820.418
Other Trade Receivables	24.596.252	18.533.809
Other Receivables		
Other Receivables	84.971.036	12.536.331
Derivative Financial Assets	40.242.872	372.706
Inventories	559.601.568	614.047.732
Prepaid Expenses	42.098.477	48.537.947
Non-Current Assets	1.983.364.513	2.046.242.984
Other Receivables		
Other Receivables	52.417.311	45.988.705
Investment Properties	225.425.744	230.770.949
Property, Plant and Equipment	665.519.110	834.685.775
Intangible Assets		
Goodwill	774.396.869	773.936.519
Other Intangible Assets	75.332.983	86.742.957
Prepaid Expenses	17.853.489	3.470.193
Deferred Tax Assets	172.419.007	70.647.886
TOTAL ASSETS	3.023.254.986	3.026.180.906

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

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	2016	2015
LIABILITIES		
Current Liabilities	2.124.996.601	1.654.981.764
Financial Liabilities		
Short Term Financial Liabilities from Related Parties	69.138.308	179.658.213
Other Short Term Financial Liabilities	740.834.609	339.424.636
Short Term Portion of Long Term Financial Liabilities		
Short Term Portion of Long Term		
Financial Liabilities from Related Parties	34.916.359	26.892.288
Other Short Term Portion of Long Term Financial Liabilities	51.978.707	37.400.446
Trade Payables		
Due to Related Parties	25.206.812	22.801.905
Other Trade Payables	1.005.444.420	885.677.636
Employee Benefit Liabilities	25.402.105	31.859.493
Other Payables		
Due to Related Parties	7.127.364	6.011.302
Other Short Term Payables	15.304.792	17.554.671
Short Term Provisions		
Provisions for Employment Benefits	7.660.305	9.235.941
Other Short Term Provisions	127.392.926	85.512.525
Other Current Liabilities	14.589.894	12.952.708
Non-Current Liabilities	523.746.018	565.468.222
Long Term Financial Liabilities		
Long Term Financial Liabilities from Related Parties	71.159.123	87.997.236
Other Long Term Financial Liabilities	404.466.137	429.803.356
Trade Payables		
Other Trade Payables	-	215.959
Long Term Provisions		
Provisions for Employment Termination Benefits	48.120.758	47.451.671
EQUITY	374.512.367	805.730.920
Shareholders' Equity	374.512.367	805.730.920
Share Capital	700.000.000	113.839.303
Inflation Adjustment to Share Capital	91.845.783	678.006.480
Share Issue Premium	34.691.309	34.691.309
Other Comprehensive Income/ Expense		
Not to be Reclassified to Profit or Loss	(488.774)	(1.437.518)
Restricted Reserves	12.318.358	12.318.358
Retained Earnings	(31.687.012)	-
Net Loss for the Period	(432.167.297)	(31.687.012)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3.023.254.986	3.026.180.906

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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED
31 DECEMBER 2016 AND 2015**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated)

	2016	2015
CONTINUING OPERATIONS		
Revenue	4.492.266.037	3.932.513.778
Cost of Sales (-)	<u>(3.487.496.763)</u>	<u>(2.924.607.305)</u>
GROSS PROFIT	1.004.769.274	1.007.906.473
Marketing Expenses (-)	(1.062.982.081)	(888.448.082)
General Administrative Expenses (-)	(121.486.478)	(134.473.298)
Other Income From Main Operations	86.663.483	32.778.560
Other Expenses From Main Operations (-)	<u>(353.195.113)</u>	<u>(105.845.671)</u>
OPERATING LOSS FROM MAIN OPERATIONS	(446.230.915)	(88.082.018)
Income From Investment Activities	60.156.642	135.960.326
OPERATING (LOSS) / PROFIT	(386.074.273)	47.878.308
Financial Expenses (-)	<u>(147.986.242)</u>	<u>(79.238.221)</u>
LOSS BEFORE TAX	(534.060.515)	(31.359.913)
Tax Income / (Expense)	101.893.218	(327.099)
- Taxes on Income	-	(212.890)
- Deferred Tax Income / (Expense)	101.893.218	(114.209)
NET LOSS FOR THE YEAR	<u>(432.167.297)</u>	<u>(31.687.012)</u>
OTHER COMPREHENSIVE LOSS		
Items not to be Reclassified Under Profit or Loss, After Tax	948.744	(4.320.041)
Actuarial gain / (loss)	948.744	(4.320.041)
TOTAL COMPREHENSIVE LOSS	<u>(431.218.553)</u>	<u>(36.007.053)</u>
Loss Per Share	(0,6174)	(0,0453)

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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated)

	Share Capital	Inflation Adjustment to Share Capital	Share Issue Premium	Actuarial Gain / (Loss)	Restricted Reserves	Retained Earnings	Net Loss for the Period	Total
Balance at 1 January 2015	113,421,625	678,006,480	34,691,309	2,882,523	6,273,158	(28,898,470)	100,501,369	906,877,994
Transfers	-	-	-	-	34,282,446	66,218,923	(100,501,369)	-
Business Combination Effect	417,678	-	-	-	-	-	-	417,678
Dividend Payment	-	-	-	-	-	(65,557,699)	-	(65,557,699)
Total Comprehensive Loss	-	-	-	(4,320,041)	-	-	(31,687,012)	(36,007,053)
Balances at 31 December 2015 (previously reported)	113,839,303	678,006,480	34,691,309	(1,437,518)	40,555,604	(28,237,246)	(31,687,012)	805,730,920
Classification from Special Funds (Note 2.3)	-	-	-	-	(28,237,246)	28,237,246	-	-
Balances at 31 December 2015 (revised)	113,839,303	678,006,480	34,691,309	(1,437,518)	12,318,358	-	(31,687,012)	805,730,920
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	-	-	-	948,744	-	-	(432,167,297)	(431,218,553)
Balances at 31 December 2016	700,000,000	91,845,783	34,691,309	(488,774)	12,318,358	(31,687,012)	(432,167,297)	374,512,367

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated)

	1 January- 31 December 2016	1 January- 31 December 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(432.167.297)	(31.687.012)
Adjustments to reconcile net loss for the period	219.729.687	21.608.345
- Depreciation of investment properties	5.860.339	5.950.742
- Depreciation of property, plant and equipment	86.597.423	70.720.683
- Amortization of intangible assets	22.432.454	14.797.253
- Gain on sale of tangible assets, intangible assets and investment properties	(60.156.642)	(135.960.326)
- Risk, lawsuit, personnel, SSI and other provisions	41.880.401	(5.410.481)
- Interest accruals	57.026.917	39.569.465
- Impairment provision	74.143.765	17.807.812
- Change in unused vacation provision and short-term employment termination benefit	422.852	7.822.589
- Provision for employment termination benefit	41.595.779	26.103.026
- Allowance for doubtful receivables	7.662.882	3.705.404
- Change in inventory impairment	6.510.688	227.711
- Unrealized foreign exchange loss	37.761.135	1.856.665
- Tax (income)/expense	(101.893.218)	327.099
- Tax effect of purchased subsidiary	(115.088)	(25.909.297)
Changes in working capital:	108.213.030	(8.637.022)
- Increase in trade receivables, including collection from doubtful receivables	(13.725.325)	(10.282.655)
- Decrease/(increase) in inventories	47.935.476	(172.353.056)
- (Increase) / decrease in due from related parties	(1.682.361)	1.795.038
- (Increase) / decrease in other receivables and current assets	(32.372.647)	4.723.950
- Increase in prepaid expenses	(7.943.826)	(28.531.882)
- Decrease in other short-term payables	(2.249.879)	(11.826.893)
- Increase in other trade payables	119.550.825	179.279.835
- Increase in due to related parties	3.520.969	11.468.411
- (Decrease) / increase in employee benefit liabilities	(6.457.388)	13.600.637
- Increase in other short-term liabilities	1.637.186	3.489.593
Cash used in operating activities	(104.224.580)	(18.715.689)
- Employee termination benefits paid	(41.739.250)	(16.341.252)
Net cash used in operating activities	(145.963.830)	(35.056.941)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated)

	1 January- 31 December 2016	1 January- 31 December 2015
CASH FLOWS FROM INVESTING ACTIVITIES		
- Acquisition of property, plant and equipment	(47.362.668)	(352.912.465)
- Acquisition of intangible assets	(19.987.846)	(76.102.714)
- Acquisition of investment properties	(616.579)	(584.370)
- Change in goodwill due to revision in fair value of acquired subsidiary	(460.350)	-
- Effect of purchased subsidiary	-	(52.775.628)
- Cash paid for purchased subsidiary	-	(492.282.604)
- Proceeds from sale of investment properties, tangible assets and intangible assets	44.665.482	217.604.524
Net cash used in investing activities	(23.761.961)	(757.053.257)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from bank borrowings	801.467.691	947.687.081
- Repayment of borrowings	(606.673.150)	(5.089.444)
- Repayment of finance lease payables	(23.867.721)	(943.641)
- Increase in finance lease payables	-	93.995.561
- Dividend paid	-	(65.557.699)
Net cash generated from financing activities	170.926.820	970.091.858
Increase in cash and cash equivalents	1.201.029	177.981.660
Cash and cash equivalents at the beginning of the year	274.088.979	94.702.992
- The impact of change in foreign currency exchange rate over cash and cash equivalents	(412.519)	1.404.327
Cash and cash equivalents at the end of the year	274.877.489	274.088.979

In the current year, paid interest is amounting to TRY 122,384,495 and received interest is amounting to TRY 845,947. (2015: paid interest TRY 28,077,726 and received interest TRY 724,935).