

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

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2017 AND 2016

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

	31 December 2017	31 December 2016
ASSETS		
Current Assets	1.258.935.703	1.039.890.473
Cash and Cash Equivalents	511.632.900	274.877.489
Trade Receivables		
Due From Related Parties	18.512.939	13.502.779
Other Trade Receivables	37.512.648	24.596.252
Other Receivables		
Other Receivables	16.341.311	84.971.036
Derivative Financial Assets	37.024.056	40.242.872
Inventories	602.370.448	559.601.568
Prepaid Expenses	35.541.401	42.098.477
Non-Current Assets	1.986.373.944	1.983.364.513
Other Receivables		
Other Receivables	48.510.765	52.417.311
Investment Properties	221.363.464	225.425.744
Property, Plant and Equipment	766.581.077	665.519.110
Intangible Assets		
Goodwill	632.678.869	774.396.869
Other Intangible Assets	83.339.971	75.332.983
Prepaid Expenses	15.014.521	17.853.489
Deferred Tax Assets	218.885.277	172.419.007
TOTAL ASSETS	3.245.309.647	3.023.254.986

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	31 December 2017	31 December 2016
LIABILITIES		
Current Liabilities	2.759.182.288	2.124.996.601
Financial Liabilities		
Short Term Financial Liabilities from Related Parties	405.373.639	69.138.308
Other Short Term Financial Liabilities	535.893.975	740.834.609
Short Term Portion of Long Term Financial Liabilities		
Short Term Portion of Long Term		
Financial Liabilities from Related Parties	30.377.887	34.916.359
Other Short Term Portion of Long Term Financial Liabilities	349.241.943	51.978.707
Trade Payables		
Due to Related Parties	30.677.456	25.206.812
Other Trade Payables	1.226.930.467	1.005.444.420
Employee Benefit Liabilities	25.790.987	25.402.105
Other Payables		
Due to Related Parties	7.891.821	7.127.364
Other Short Term Payables	17.565.387	15.304.792
Short Term Provisions		
Provisions for Employment Benefits	8.247.818	7.660.305
Other Short Term Provisions	107.928.905	127.392.926
Other Current Liabilities	13.262.003	14.589.894
Non-Current Liabilities	417.536.453	523.746.018
Long Term Financial Liabilities		
Long Term Financial Liabilities from Related Parties	29.421.926	71.159.123
Other Long Term Financial Liabilities	336.778.077	404.466.137
Long Term Provisions		
Provisions for Employment Termination Benefits	51.336.450	48.120.758
EQUITY	68.590.906	374.512.367
Shareholders' Equity	68.590.906	374.512.367
Share Capital	700.000.000	700.000.000
Inflation Adjustment to Share Capital	91.845.783	91.845.783
Share Issue Premium	34.691.309	34.691.309
Other Comprehensive Income/ Expense		
Not to be Reclassified to Loss	(601.338)	(488.774)
Restricted Reserves	12.318.358	12.318.358
Retained Earnings	(463.854.309)	(31.687.012)
Net Loss for the Period	(305.808.897)	(432.167.297)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3.245.309.647	3.023.254.986

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

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

	2017	2016
CONTINUING OPERATIONS		
Revenue	4.553.988.754	4.493.874.586
Cost of Sales (-)	<u>(3.391.525.594)</u>	<u>(3.479.430.530)</u>
GROSS PROFIT	1.162.463.160	1.014.444.056
Marketing Expenses (-)	(1.017.512.243)	(1.043.676.090)
General Administrative Expenses (-)	(131.681.241)	(123.127.220)
Other Income From Main Operations	92.768.216	86.663.483
Other Expenses From Main Operations (-)	<u>(292.879.440)</u>	<u>(380.526.301)</u>
OPERATING LOSS FROM MAIN OPERATIONS	(186.841.548)	(446.222.072)
Income From Investment Activities	21.289.283	60.156.642
OPERATING (LOSS) / PROFIT	(165.552.265)	(386.065.430)
Financial Income	2.349.557	-
Financial Expenses (-)	<u>(189.044.318)</u>	<u>(147.995.085)</u>
LOSS BEFORE TAX	(352.247.026)	(534.060.515)
Tax Income	46.438.129	101.893.218
- Taxes on Income	-	-
- Deferred Tax Income	46.438.129	101.893.218
NET LOSS FOR THE YEAR	<u>(305.808.897)</u>	<u>(432.167.297)</u>
OTHER COMPREHENSIVE LOSS		
Items not to be Reclassified Under Profit or Loss, After Tax	(112.564)	948.744
Actuarial gain / (loss)	(112.564)	948.744
TOTAL COMPREHENSIVE LOSS	<u>(305.921.461)</u>	<u>(431.218.553)</u>
Loss Per Share	(0,4369)	(0,6174)

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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

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

	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 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
Balance 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	-	-	-	(112.564)	-	-	(305.808.897)	(305.921.461)
Balances at 31 December 2017	700.000.000	91.845.783	34.691.309	(601.338)	12.318.358	(463.854.309)	(305.808.897)	68.590.906

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

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

CASH FLOWS FROM OPERATING ACTIVITIES	1 January- 31 December 2017	1 January- 31 December 2016
Net loss for the period	(305.808.897)	(432.167.297)
Adjustments to reconcile net loss for the period	202.849.118	219.729.686
- Depreciation of investment properties	5.884.559	5.860.339
- Depreciation of property, plant and equipment	78.009.081	86.597.423
- Amortization of intangible assets	28.969.081	22.432.454
- Gain on sale of tangible assets, intangible assets and investment properties	(21.289.283)	(60.156.642)
- Risk, lawsuit, personnel, SSI and other provisions	(19.464.021)	41.880.401
- Interest accruals	33.547.114	57.026.917
- Impairment provision	84.523.809	74.143.765
- Change in unused vacation provision and short-term employment termination benefit	587.513	422.852
- Provision for employment termination benefit	34.043.874	41.595.779
- Allowance for doubtful receivables	6.377.821	7.662.882
- Change in inventory impairment	(10.726.384)	6.510.688
- Unrealized foreign exchange loss	28.824.083	37.761.135
- Tax (income)/expense	(46.438.129)	(101.893.218)
- Tax effect of purchased subsidiary	-	(115.089)
Changes in working capital:	257.846.992	108.213.030
- Increase in trade receivables, including collection from doubtful receivables	(19.294.217)	(13.725.325)
- Decrease/(increase) in inventories	(32.042.496)	47.935.476
- Increase due from related parties	(5.010.160)	(1.682.361)
- (Increase) / decrease in other receivables and current assets	75.755.087	(32.372.647)
- Increase/(decrease) in prepaid expenses	9.396.044	(7.943.826)
- Increase/(decrease) in other short term payables	2.260.595	(2.249.879)
- Increase in other trade payables	221.486.047	119.550.825
- Increase in due to related parties	6.235.101	3.520.969
- (Decrease) / increase in employee benefit liabilities	6.235.101	(6.457.388)
- Increase/(decrease) in other short-term liabilities	(1.327.891)	1.637.186
Cash used in operating activities	154.887.213	(104.224.581)
- Employee termination benefits paid	(30.968.887)	(41.739.250)
Net cash used in operating activities	123.918.326	(145.963.831)

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	1 January- 31 December 2017	1 January- 31 December 2016
CASH FLOWS FROM INVESTING ACTIVITIES		
- Acquisition of property, plant and equipment	(157.814.302)	(47.362.668)
- Acquisition of intangible assets	(33.994.378)	(19.987.846)
- Acquisition of investment properties	(1.822.279)	(616.579)
- Change in goodwill due to revision in fair value of acquired subsidiary	-	(460.350)
- Proceeds from sale of investment properties, tangible assets and intangible assets	54.245.037	44.665.482
Net cash used in investing activities	(139.385.922)	(23.761.961)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from bank borrowings	2.005.570.500	752.946.000
- Repayment of borrowings	(1.717.328.046)	(558.151.315)
- Repayment of finance lease payables	(35.298.963)	(23.867.721)
Net cash generated from financing activities	252.943.491	170.926.964
Increase in cash and cash equivalents	237.475.895	1.201.172
Cash and cash equivalents at the beginning of the year	274.877.489	274.088.979
- The impact of change in foreign currency exchange rate over cash and cash equivalents	(720.484)	(412.662)
Cash and cash equivalents at the end of the year	511.632.900	274.877.489

In the current year, paid interest is amounting to TRY 207,056,630 and received interest is amounting to TRY 2,394,585 (31 December 2016: paid interest TRY 122,384,495 and received interest TRY 845,947).