

**KİLER ALIŞVERİŞ HİZMETLERİ
GIDA SANAYİ VE TİCARET A.Ş.
CONSOLIDATED
FINANCIAL STATEMENTS
AS OF AND FOR THE PERIODS ENDED
01.01. – 30.06.2010
TOGETHER WITH AUDITOR'S
REPORT**

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
INDEPENDENT AUDITOR'S REPORT
AS OF AND FOR THE PERIODS ENDED
01.01.-30.06.2010

To the shareholders of
Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş.

1. We have audited the consolidated financial statements of Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş. and its subsidiaries (together "the group"), which comprise the consolidated balance sheets as of and for the period ended the consolidated statements of comprehensive income, the statements of changes in equity and the cash flow statements for the period ended 30.06.2010 a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Capital Market Board. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
4. Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and/or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects; the financial position of Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş as of 30.06.2010, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

ENGİN Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş.
Member Firm of GRANT THORNTON International

Ajda Düzgün
Partner

Istanbul, 16.09.2010

Abide-i Hürriyet Caddesi
Bolkan Center
No:211 Kat:2
34381 Şişli
Istanbul

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 01.01.-30.06.2010

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KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED BALANCE SHEETS AS OF 30.06.2010 AND 31.12.2009
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Audited 30.06.2010	Audited 31.12.2009
ASSETS			
Current Assets			
Cash and cash equivalents	6	28,164	33,662
Financial investments	7	--	--
Trade Receivables			
- Trade receivables from related parties	10 - 37	5,871	5,524
- Trade receivables from third parties	10	3,588	3,401
Receivables from finance sector operations	12	--	--
Other receivables			
- Other receivables from related parties	11 - 37	51,978	50,638
- Other receivables from third parties	11	991	858
Inventories	13	181,789	161,073
Live assets	14	--	--
Other current assets	26	15,136	19,669
(Subtotal)		287,517	274,825
Assets held for sale and discontinued operations	34	--	--
Long-term Assets			
Trade receivables	10	--	--
Receivables from finance sector operations	12	--	--
Other receivables	11	--	--
Financial investments	7	54	54
Investment accounted for using the equity method	16	--	--
Live assets	14	--	--
Investment properties	17	46,271	23,240
Property, plant and equipment	18	139,176	145,681
Intangible assets	19	517	435
Goodwill	20	43,652	43,652
Deferred tax asset	35	9,685	9,340
Other assets	26	8,855	11,726
TOTAL ASSETS		535,727	508,953

The accompanying notes from an integral part of these financial statements.

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED BALANCE SHEETS AS OF 30.06.2010 AND 31.12.2009
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Audited 30.06.2010	Audited 31.12.2009
LIABILITIES			
Short-term liabilities		323,935	305,556
Financial liabilities	8	109,898	90,028
Other financial liabilities	9	2,937	2,806
Trade payables			
- Trade payables to related parties	10 - 37	3,994	15,411
- Trade payables to third parties	10	155,258	142,304
Other payables			
- Other payables to related parties	11 - 37	38,410	41,190
- Other payables to third parties	11	4,099	3,146
Payables from finance sector operations	12	--	--
Government grants	21	--	--
Taxation on income	35	661	919
Provisions for payables	22	5,179	5,435
Other current liabilities	26	3,499	4,317
(Subtotal)		323,935	305,556
Liabilities directly associated with the assets classified as held for sale	34	--	--
Long-term liabilities		62,874	65,018
Financial liabilities	8	46,720	46,793
Other financial liabilities	9	--	--
Trade payables	10	1,794	5,357
Other payables	11	--	--
Payables from finance sector operations	12	--	--
Government grants	21	--	--
Provisions for payables	22	--	--
Provision for employee termination benefits	24	3,112	2,568
Deferred tax liabilities	35	11,248	10,300
Other liabilities	26	--	--
EQUITY		148,918	138,379
Company shareholders' equity	27	135,380	125,591
Share capital		121,120	101,200
Investment and share capital eliminating adjustments (-)		--	--
Positive distinction from share capital adjustment		--	--
Premium in excess of par		--	--
Revaluation fund		13,811	28,931
Foreign currency translation differences		--	--
Legal reserves		12,162	12,039
General Reserves		(16,702)	(24,541)
Net profit/loss for the period		4,989	7,962
Minority interest		13,538	12,788
TOTAL LIABILITIES		535,727	508,953

The accompanying notes from an integral part of these financial statements.

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR PERIODS ENDED 30.06.2010 AND 30.06.2009

(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Audited 01.01.- 30.06.2010	Audited 01.01.- 30.06.2009
CONTINUING OPERATIONS			
Sales	28	392,337	375,536
Cost of sales (-)	28	(281,125)	(279,358)
GROSS PROFIT / (LOSS)		111,212	96,178
Marketing, selling and distribution expenses (-)	29	(67,511)	(61,513)
General administrative expenses (-)	29	(20,773)	(15,046)
Research and development expenses (-)		--	--
Income from other operations	31	898	889
Expense from other operations (-)	31	(2,559)	(885)
OPERATING INCOME / (LOSS)		21,267	19,623
Equity income / (loss) from investments in associates		--	--
Financial income	32	723	10,472
Financial expenses (-)	33	(14,352)	(22,406)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		7,638	7,689
Tax income / (expense) from continuing operations		(1,899)	(1,587)
- Taxation on income	35	(1,296)	(374)
- Deferred tax income / (expense)	35	(603)	(1,213)
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		5,739	6,102
DISCONTINUED OPERATIONS			
Profit / loss from discontinued operations (net of income tax)		--	--
PROFIT FOR THE PERIOD		5,739	6,102
Other comprehensive income:			
Changes in fair value on available for sale securities		--	--
Changes in fair value of land and buildings		--	--
Changes in fair value of Financial Risk Hedging		--	--
Changes in differences of foreign currency translation		--	--
Actuarial Gains and Losses of the Pension Plans		--	--
Other Comprehensive Income from investments in associates		--	--
Tax Income / (Expense) from Other Comprehensive Operations		--	--
OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF TAX)		--	--
TOTAL COMPREHENSIVE INCOME / (LOSS)		5,739	6,102
Distribution of Profit / (Loss)			
Minority interests		750	1,395
Equity holders of the Company		4,989	4,707
Distribution of Comprehensive Income / (Loss)			
Minority interests		750	1,395
Equity holders of the Company		4,989	4,707
Earnings Per Share	36	0.0004	0.0004
Earnings Per Share From Continuing Operations	36	0.0004	0.0004

The accompanying notes from an integral part of these financial statements.

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR PERIODS ENDED 30.06.2010 AND 30.06.2009
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Share Capital	Equity Restatement Differences	Revaluation Fund	Legal Reserves	General Reserves	Net Profit (Loss) For The Period	Minority Interest	Total Shareholders' Equity
Balance at 31.12.2008	96,830	--	--	12,000	841	(25,343)	1,223	85,551
Transfer to reserves	--	--	--	--	(25,343)	25,343	--	--
Capital increases	3,170	--	--	--	--	--	--	3,170
Equity injections from shareholders	--	--	1,470	--	--	--	530	2,000
Transfer to legal reserves	--	--	--	36	(36)	--	--	--
Net loss for the period	--	--	--	--	--	4,707	1,395	6,102
Balance at 30.06.2009	100,000	--	1,470	12,036	(24,538)	4,707	3,148	96,823
Balance at 31.12.2009	101,200	--	28,931	12,039	(24,541)	7,962	12,788	138,379
Transfer to reserves	--	--	--	--	7,962	(7,962)	--	--
Capital increase in cash	4,800	--	--	--	--	--	--	4,800
Share capital increase from equity injections from shareholders (Note 27)	15,120	--	(15,120)	--	--	--	--	--
Transfer to legal reserves	--	--	--	123	(123)	--	--	--
Net profit for the period	--	--	--	--	--	4,989	750	5,739
Balance at 30.06.2010	121,120	--	13,811	12,162	(16,702)	4,989	13,538	148,918

The accompanying notes from an integral part of these financial statements.

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED CASH FLOW STATEMENTS FOR PERIODS ENDED 30.06.2010 AND 30.06.2009
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

CASH FLOWS DUE FROM OPERATING ACTIVITIES	Notes	Audited 01.01.-30.06.2010	Audited 01.01.-30.06.2009
Profit / (loss) before tax		7,638	7,689
Adjustments to reconcile net income to net cash provided by operating activities		28,906	21,064
Depreciation and amortization		9,448	6,595
Provision for employee termination benefit	24	902	472
Profit sale of fixed assets	31	(41)	(64)
Loss on sale of fixed assets	31	64	11
Provision for doubtful receivables	10-11-26	5,182	2,147
Interest income	32	(82)	(12)
Interest cost	33	7,932	13,480
Foreign exchange gains	32	(445)	(9,846)
Foreign exchange losses	33	3,731	6,532
Unearned interest on trade receivables		(111)	--
Unearned interest on trade payables		1,512	1,749
Fair value of investment properties		814	--
Operating income before changes in assets and liabilities related with operating activities		36,544	28,753
Changes in trade receivables		(1,222)	(5,418)
Changes in inventories		(20,716)	(27,996)
Changes in other receivables		(206)	(1,375)
Changes in other current assets		224	4,354
Changes in other non-current assets		2,871	995
Changes in trade payables		(3,538)	17,983
Changes in other payables		953	949
Changes in provision for payables		(256)	5
Changes in other current liabilities		(818)	(299)
Taxes paid		(1,552)	(220)
Employee termination benefit paid	24	(358)	(401)
Net cash provided by operating activities		11,926	17,330
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	18	(3,341)	(1,491)
Purchase of intangible assets	19	(173)	(202)
Purchase of investment properties	17	(23,845)	--
Sale of property, plant and equipment	18	466	129
Changes in financial investments		--	(374)
Net cash provided from / (used in) investing activities		(26,893)	(1,938)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of financial liabilities		(34,564)	(30,640)
Loans obtained		56,577	48,806
Interest expense		(6,152)	(9,622)
Foreign exchange gains		445	9,846
Foreign exchange losses		(7,599)	(6,777)
Interest income		82	12
Other receivables from related parties		(1,340)	(29,476)
Other payables to related parties		(2,780)	(565)
Share capital increases		4,800	3,170
Equity injections from shareholders	27	--	2,000
Net cash provided from / (used in) financial activities		9,469	(13,246)
Changes in cash and cash equivalents		(5,498)	2,146
Cash and cash equivalents at the beginning of the period		33,662	27,197
Cash and cash equivalents at the end of the period		28,164	29,343

The accompanying notes from an integral part of these financial statements.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 30.06.2010

(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

NOTE 1- COMPANY'S ORGANIZATION AND NATURE OF OPERATIONS

Kiler Alışveriş Hizmetleri Gıda San. ve Tic. A.Ş. ("Kiler" or "Kiler Alışveriş") was established in 1994 in Istanbul. Kiler is mainly engaged in retail and wholesale of essential goods. Kiler has 102 stores as of 30.06.2010 (31.12.2009: 97). Kiler has 2,766 employees as of 30.06.2010 (31.12.2009: 2,788).

Kiler Alışveriş purchased the property, plant and equipment of 12 of the Yimpaş chain stores in August 2008 and rented these stores. 10 of these stores underwent renewal modifications and were opened for service in 2008. The renewal modifications of the remaining 2 stores were completed and opened for service in February 2009.

Kiler's registered address is Namık Kemal Neighborhood, Tonguçbaba Road Number: 23 Haramidere - Esenyurt, Istanbul.

In the accompanying financial statements, Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş. is referred to as "The Company" and together with the subsidiaries is referred to as "The Group". The interest share of The Company is shown below:

<u>Consolidated subsidiary</u>	<u>Economic interest (%)</u>			<u>Ownership interest rate (%)</u>		
	<u>30.06.2010</u>	<u>31.12.2009</u>	<u>30.06.2009</u>	<u>30.06.2010</u>	<u>31.12.2009</u>	<u>30.06.2009</u>
Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş. (*)	47	47	47	54	54	54
Davay Unlu Mamüller ve Gıda San. Tic. A.Ş. (**)	--	--	47	--	--	54

(*) Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş. belongs to the Canerler store chains which were bought by the Canerler family in 2005. The chain consisted of 49 stores, 1 integrated meat processing facility, 1 management building, a bakery production facility and a commodity warehouse. 47% of the Canerler store chain was purchased by Kiler Alışveriş and 3% of these shares were bought by Kiler Alışveriş's shareholders; Ümit Kiler, Nahit Kiler and Vahit Kiler. The A group shares held by Kiler Alışveriş and the Kiler family have the right of choosing 4 out of the 7 members of the board of directors for their own representation. The remaining 50% of the shares which represent the B group shares have the right of choosing 3 out of 7 members for the board of directors.

(**) In the extraordinary general meeting of shareholders of Davay Unlu Mamüller ve Gıda San. Tic. A.Ş. dated 22.10.2009 and the extraordinary general meeting of Kiler Ankara Mağazacılık San. ve Tic. A.Ş. dated 22.10.2009 it was decided that all of the rights and obligations of Davay Unlu Mamüller ve Gıda San. Tic. A.Ş. shall merge with Kiler Ankara Mağazacılık San. ve Tic. A.Ş. The decision was recorded on the date of 26.10.2009 and was issued in the Turkish Commercial Register Newspaper dated 20.10.2008 numbered 7428.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 30.06.2010

(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

NOTE 1– COMPANY’S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Some of the activities of the consolidated companies are summarized below:

Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş.

Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş. (“Kiler Ankara”), was established in Ankara under the name of Canerler Gıda San. ve Tic. A.Ş. (“Canerler Gıda”) and is engaged in retail sale. In 2005 50% of the shares of Canerler Gıda (new name Kiler Ankara) was sold to the Kiler family and the Kiler group of Companies. The control and management of Kiler Ankara belongs to the Kiler family and Kiler group of Companies. As of 30 June 2009 there were 68 stores in Ankara (under the banner of Kiler) (31 December 2009: 65). As of 30 June 2010 the number of personnel employed was 1,792 (31 December 2009: 1,716).

The registered address of Kiler Ankara is; Çamlıca Mahallesi 12. Sokak No: 8 Macunköy Yenimahalle, Ankara.

Davay Unlu Mam. ve Gıda San. Tic. A.Ş.

Davay Unlu Mam. ve Gıda San. Tic. A.Ş. (Davay), which was merged with Kiler Ankara in 26.10.2009, was established in Ankara in 2004. The main activity of Davay is the processing, packaging and selling of bakery products.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 30.06.2010

(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of Presentation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect.

The Company and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code (“TCC”) and tax legislation. The consolidated financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

2.2. Going Concern

The Group prepares their financial statements in accordance with the principles of going concern.

2.3. Measurement currency and reporting currency

The Consolidated financial statements are presented by the Group’s measurement and reporting currency “TL”. The consolidated financial statements have been prepared based on cost method except financial assets and liabilities measured with fair value.

2.4. Comparable financial information and reclassification of prior period financial statements

For the compatibility of the current financial statements the comparative financial statements are reclassified if necessary, and material differences are disclosed.

2.5. 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 liabilities simultaneously.

2.6. Basis of consolidation

Consolidated financial statements include financial statements which are prepared as of the same date, of the Company and Subsidiaries.

The consolidation policy adopted by the Company in the preparation of its financial statements is explained below:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The balance sheet and income statement of the Group are consolidated on a line-by-line basis. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group’s equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority’s share of changes in equity since the date of the combination.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 30.06.2010

(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7. Changes in accounting policies, estimates and correction of errors

The effect of a change in accounting policy is applied retrospectively and prior period financial statements are issued again. If the changes in accounting estimation are in accordance with only one period, it is carried out in the same changing period but if the changes are in accordance with forward periods, it is carried out in the changing period and for forward periods.

The correction of fundamental errors that relate to the current period is normally included in the determination of net profit or loss for the current period. The correction of fundamental errors that relate to prior periods requires the restatement of the comparative information or the presentation of additional pro forma information. The amount of the correction of a fundamental error that relates to prior periods should be reported by adjusting the opening balance of retained earnings. Comparative information should be restated, unless it is impracticable to do so.

The group measured its investment properties and its land and buildings with cost method until 31.12.2009. On 31.12.2009 the Group chooses to measure its investment properties and land and buildings with fair value method. The effect of this change in accounting policy is explained in Note 17 and Note 18.

2.8. Critical accounting estimates, assumptions and judgment

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date and the significant judgments are set out below:

- Allowance for doubtful debts reflect the amount set aside for the losses in the future related to receivables which exist at the balance sheet date but which, in the opinion of the management, carry the risk of collection due to current economic conditions. When evaluating whether receivables have suffered a loss in value the past performance of the debtors, their credibility in the market and their performance between the balance sheet date and report date together with changed circumstances are taken into consideration. In addition the collaterals existing as at the balance sheet date together with new collaterals obtained between the balance sheet date and report date are also taken into consideration. The allowance for doubtful receivables as of the balance sheet dates are explained under note 10 and 11.
- When setting aside the provision for legal claims the probability of losing the related case and the results expected to be suffered in the event that the legal counsel of the Group and management of the Group make their best estimates to calculate the provision required.
- As for the diminution in value of inventories, all inventories are subjected to review and their usage possibility ascertained on the basis of the opinion of the technical personnel; provisions are set aside for items expected not to have usage possibility. Calculation of net realizable values of stocks is based on selling prices as disclosed by selling price lists after deduction of average discounts given during the year and selling expenses to be incurred for the realization of stocks. If the net realizable value of any inventory falls under its cost price appropriate provisions are accordingly set aside (Note 13).

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NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- Property, plant and equipment and intangible assets held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Group estimates the useful life of tangible and intangible assets. Depreciation is charged using the straight line basis over the useful life which depends on the best estimation of the management. The useful life of property, plant and equipment and intangible assets are reviewed at each balance sheet date and changes are made as necessary (Note: 2.9).
- Deferred tax assets are accounted for only where it is likely that related temporary differences and accumulated losses will be recovered through expected future profits. When accounting for deferred tax losses it is necessary to make important estimations and evaluations with regard to taxable profits in the future periods.

2.9. Summary of Significant Accounting Policies

Significant accounting policies for financial statements are summarized below:

Revenue Recognition

The Group operates in its retail stores for the selling of food and drinks and durable consumer goods. The selling of goods is recorded once the goods are sold to the customer. The retail sales are generally in credit card or cash payments.

The income obtained from the sellers, the revenue premiums, the discounts obtained from sellers and the advertisement participation income recorded on accrual basis.

Trade receivables / payables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method to set an allowance for unearned interest. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The decreases in the impairment of receivables are reflected in the current comprehensive period income statement.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated by the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Property, plant and equipment

Property, plant and equipment (except land and buildings) are stated at cost less accumulated depreciation and impairment. As of 31.12.2009 the Group accounted for its land and buildings under a revaluation model using the fair value method. The accumulated depreciation of the buildings is netted off with the cost and the net value is increased to the valued amount. Depreciation is provided on a straight-line basis based on the approximate useful economic life as follows:

	Useful Life (Years)
Buildings	50
Machinery and equipment	14
Vehicles	10–14
Furniture and Fixtures	10
Leasehold improvements	10–14

At each balance sheet date, property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in income for items of tangible and intangibles carried at cost. Recoverable value is the higher of the net sales value and the value of the use.

The gain or loss arising from the disposal or derecognition of an item of property, plant and equipment is the difference between the net sales proceeds, if any, and the restated carrying amount. The gain or loss arising from the disposal of an item of property, plant and equipment is recognized in profit or loss.

Expenditure that arises as a result of any of the real assets being replaced results in capitalization together with maintenance and fixtures. Other expenses that arise at a later date that add to the economic value of the product, are also capitalized. All other expenses are accounted for as they are in the income statement during the assessment.

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NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Investment Property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Investment property is recognized as an asset when it is probable that the future economic benefits that are associated with the property will flow to the entity, and the cost of the property can be reliably measured.

Initial measurement

Investment property is initially measured at cost, including transaction costs. Such cost should not include start-up costs, abnormal waste, or initial operating losses incurred before the investment property achieves the planned level of occupancy.

Measurement subsequent to initial recognition

IAS 40 permits entities to choose between the fair value model and the cost model.

Fair value model

Investment property is remeasured at fair value, which is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the period in which it arises.

Cost Model

After initial recognition, investment property is accounted for in accordance with the cost model as set out in property, plant and equipment – cost less accumulated depreciation and less accumulated impairment losses.

All the investments properties should be accounted with the same accounting policy explained above.

The Group measured investment properties using the cost model until 31.12.2009. Since 31.12.2009 the Group has used the fair value model.

Intangible Assets

An intangible asset is recognized if it meets the identifiable criteria of intangibles, control exists over the asset and it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably. Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets except goodwill for which the accounting is explained above is allocated on a systematic pro-rata basis using the straight-line method.

Years

Other intangible assets

5

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NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for good will is not reversed in a subsequent period.

Impairment of assets

The Group assesses for assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Impairment losses are recognized in the income statement.

Financial investments

The Group classifies its financial assets held for trading.

Financial assets held for trading are either acquired for generating a profit from short term fluctuations in price or dealer's margin, or included in a portfolio in which a pattern of short term profit-making exists.

Financial assets held for trading are initially recognized at cost and are subsequently re-measured at fair value based on quoted bid prices. All related realized and unrealized gains and losses are included in the consolidated income statements.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognized in net profit or loss in the period in which they are incurred.

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NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Foreign currency transactions

Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The foreign exchange gains and losses are recognized in the income statement.

Earnings per share

Earnings per share disclosed in the income statement are determined by dividing net income by the weighted average number of shares.

Other provisions, contingent liabilities and contingent assets

Other provisions are recognized when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted legal disputes or onerous contracts. Restructuring provisions are recognized only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognized for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long term provisions are discounted to their present values, where time value of money is material. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the balance sheet. Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

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NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Related Parties

In the presence of one of the following criteria, a party is considered to be an associate of the Group if:

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Post balance sheet events

The Group retrospectively recognizes events after the balance sheet date if adjustment is required. If events after the balance sheet date do not require any adjustment, necessary disclosures are made in the notes of the financial statements.

Segment Reporting

As the Group operates in a single business segment and in a single geographic location, there is no basis for segment reporting.

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NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Government Incentives and Subsidies

These are reflected in the financial statements when the Group has complied with all of the requirements and reasonable assurance is formed that incentive or assistance will be obtained. Liabilities to governmental departments which may be forgone by the authorities are accepted as government incentives when reasonable assurance is formed that such liabilities will not be paid because the Group has complied with all the requirements related to the liability.

Customer loyalty program

The money points which the Group offers to its customers go within the context of IFIRC 13. Customers obtain money points when they shop from the stores which they can then use later. The Company accounts for the points that its customers obtain at fair values as deferred expense and according to IFIRC 13 this amount is reduced from sales.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax liabilities or assets are recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be used.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Provision for employee termination benefits

Under Turkish law and union agreements, severance payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of the defined retirement benefit plan as per International Accounting Standard No: 19 (revised) “Employee Benefits” (“IAS 19”). The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

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NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Cash flow statements

Cash and cash equivalents, which are the short term investments in cash flow statements, comprise of cash, bank deposits and investments of less than three months maturity and can be directly converted to the cash and are not under the high risk of value changing.

2.10. Adoption of New and Revised International Financial Reporting Standards

New standards, amendments and interpretations that will be valid for the year end financial statements dated 31 December 2010:

- IFRS 1 (Amendment) “First-time Adoption of International Financial Reporting Standarts” –Additional exemptions for first time adopters,
- IFRS 2 (Amendment) “Share Based Payment Transactions”- Group cash settled share based payment transactions,
- IFRS 3(Amendment) “Business Combinations” and IAS 27(Revised), “ Consolidated and separate financial statements”,

New standards and changes that do not have an effect on the financial position or the performance of the Group are summarized below;

- IFRIC 17 “Distributions of Non-cash Asset to Owners”,

The Group has considered the effects of the related improvements to IFRSs issued in 2008 and 2009 on its financial performance and applied them to the extent applicable.

New and amended standards and interpretations issued that are effective subsequent to 31 December 2010 year-ends (these amendments have not been endorsed by European Union yet):

- IFRS 1 (Amendment) – Limited exemption for comparative IFRS 7 Disclosures (effective for the periods beginning on or after 01.07.2010. Early application is permitted.)
- IFRS 9, “Financial Instruments: Classification and measurement” (effective for the periods beginning on 01.01.2010 and after): The Group is assessing the effects of the amendment.
- IAS 24 (Revised), “Related Party Disclosures” (Effective for the periods beginning on or after 01.01.2011): The Group will apply the amendment in the notes to the consolidated financial statements for the periods beginning on and after 01.01.2011.
- IAS 32 (Amendment) “Classification of Rights Issues” (Effective for periods beginning on or after 01.02.2010): The amendment does not have an impact on Group’s financial performance.
- IFRIC 14 (Amendment) “Prepayments of a Minimum Funding Requirement” (Effective for periods beginning on or after 01.01.2011, with earlier application permitted): The amendment does not have an impact on Group’s financial performance.
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (Effective for periods beginning on or after 01.07.2010, with earlier application permitted).The amendment does not have an impact on Group’s financial performance.

These changes effective on and after 01.01.2011 are not earlier adopted by the Group.

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NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Improvements to IFRSs (issued in May 2010):

In May 2010, International Accounting Standards Board (IASB) made 11 changes in 7 standards. These changes have no impact on the financial performance of the Group. The revised standards are as below:

IFRS 1 : Accounting policy changes in the year of adoption

IFRS 1: Revaluation basis as deemed cost

IFRS 1: Use of deemed cost for operations subject to rate regulation

IFRS 3: Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised standard

IFRS 3: Measurement of non-controlling interests

IFRS 7: Clarification of disclosures

IAS 1: Clarification of statement of changes in equity

IAS 27: Transition requirements for amendments arising as a result of IAS 27 Consolidated and Separate Financial Statements

IAS 34: Significant events and transactions

IFRIC 13: Fair value of award credits

These changes have no impact on the financial performance of the Group.

NOTE 3- BUSINESS COMBINATIONS

None (31.12.2009: None).

NOTE 4- JOINT VENTURES

None (31.12.2009: None).

NOTE 5- SEGMENT REPORTING

As the Group operates in a single business segment and in a single geographic location, there is no basis for segment reporting.

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NOTE 6- CASH AND CASH EQUIVALENTS

	30.06.2010	31.12.2009
Cash	5,816	4,473
Banks		
- Demand Deposit – TL	2,445	6,352
- Demand Deposit – USD	167	59
- Demand Deposit – EURO	46	27
- Demand Deposit – GBP	36	37
Credit Card Receivables	19,654	22,714
Total	28,164	33,662

NOTE 7– FINANCIAL INVESTMENTS

Long Term:	30.06.2010	31.12.2009		
	Percentage (%)	TL	Percentage (%)	TL
KBC Gıda San. Tic. Ltd. Şti.	10.85	54	10.85	54
Total		54		54

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NOTE 8- FINANCIAL LIABILITIES

	30.06.2010	31.12.2009
<u>Short Term</u>		
Bank Loans		
- TL	68,829	53,531
- USD	40,952	36,434
Leasing payables	117	63
	109,898	90,028

<u>Long Term</u>		
Bank Loans		
- TL	10,260	13,966
- USD	36,457	32,699
Leasing payables	3	128
	46,720	46,793

The maturity of financial liabilities are listed below:

	30.06.2010	31.12.2009
0 – 3 month	57,842	48,625
3- 12 month	52,056	41,403
1–2 years	35,110	39,161
2–3 years	11,610	7,632
	156,618	136,821

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NOTE 8- FINANCIAL LIABILITIES (Continued)

As of 30 June 2010, the detail of financial liabilities is listed below (Leasing payables are excluded):

	Currency	Maturity	Nominal Balance	Book Value
Unguaranteed loan	TL	03.07.2010	1,277	1,277
Loan under guarantee (8)	TL	04.01.2013	280	282
Loan under guarantee (8)	TL	21.04.2012	26	26
Loan under guarantee (1)	TL	27.10.2010	850	934
Loan under guarantee (1)	USD	09.07.2010	487	489
Loan under guarantee (1)	TL	02.03.2011	2,000	2,084
Loan under guarantee (1)	TL	15.02.2011	2,000	2,089
Loan under guarantee (1)	TL	14.10.2173	500	512
Loan under guarantee (1)	TL	08.10.2010	1,000	1,033
Loan under guarantee (1)	TL	13.05.2011	800	813
Loan under guarantee (1)	TL	22.06.2011	600	602
Loan under guarantee (1)	TL	02.11.2010	1,000	1,019
Loan under guarantee (1)	TL	09.07.2010	2,250	2,266
Loan under guarantee (1)	TL	28.07.2010	600	600
Loan under guarantee (1)	TL	26.03.2011	900	929
Loan under guarantee (3)	TL	12.07.2010	17,000	17,521
Loan under guarantee (3)	TL	06.08.2010	3,000	3,092
Loan under guarantee (1)	USD	02.08.2010	252	253
Loan under guarantee (6)	USD	03.01.2014	17,322	17,422
Loan under guarantee (5)	USD	03.01.2014	3,701	3,737
Loan under guarantee (5)	USD	03.01.2014	2,598	2,634
Loan under guarantee (1)	USD	08.07.2010	352	353
Loan under guarantee (4)	TL	03.08.2010	3,490	3,564
Loan under guarantee (4)	TL	07.10.2011	1,950	2,032
Loan under guarantee (4)	TL	05.10.2011	5,250	5,474
Loan under guarantee (4)	TL	14.10.2011	1,500	1,552
Loan under guarantee (4)	TL	04.11.2011	6,800	6,987
Loan under guarantee (4)	TL	10.11.2011	500	512
Loan under guarantee (4)	TL	16.12.2011	4,200	4,224
Loan under guarantee (4)	USD	01.08.2011	19,668	20,317
Loan under guarantee (4)	TL	08.10.2010	1,000	1,034
Loan under guarantee (4)	TL	11.01.2011	400	400
Loan under guarantee (4)	TL	05.10.2011	5,250	5,474
Loan under guarantee (4)	TL	14.04.2011	300	300
Loan under guarantee (1)	TL	01.03.2011	750	757
Loan under guarantee (1)	TL	14.10.2011	1,125	1,552
Subtotal			110,978	114,146

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NOTE 8- FINANCIAL LIABILITIES (Continued)

	Currency	Maturity	Nominal Balance	Book Value
Subtotal (Continued from page 16)			110,978	114,146
Loan under guarantee (1)	USD	23.09.2010	1,458	1,459
Loan under guarantee (1)	USD	12.12.2011	5,905	5,925
Loan under guarantee (2)	USD	31.08.2012	21,101	21,699
Loan under guarantee (1)	TL	08.10.2010	1,000	1,033
Loan under guarantee (1)	TL	13.10.2010	500	516
Unguaranteed loan	TL	02.07.2010	1,387	1,387
Loan under guarantee (7)	TL	30.09.2010	6,250	6,253
Loan under guarantee (8)	TL	04.01.2013	953	960
Loan under guarantee (1)	USD	16.07.2012	3,114	3,120
Total			152,646	156,498

- (1) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee.
- (2) The sections numbered 8, 9, 14, 15, 17, 18 and 19 of the Esenyurt head office building of Kiler Alışveriş has been mortgaged.
- (3) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee and a mortgage of Klr İnş. Tic. Ltd. Şti.'s Esenkent store.
- (4) Kiler Holding A.Ş., the shareholders of Kiler Alışveriş, pledged 10% of Kiler Alışveriş shares on behalf of the lender (Note 27).
- (5) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of Şirinevler store.
- (6) The sections numbered 10, 11, 12 and 13 of the Esenyurt head office building of Kiler Alışveriş has been mortgaged.
- (7) POS accounts of the Company are primarily charged by the bank under the condition of keeping the most recent installment and releasing the remaining balance free.
- (8) Obtained with a mortgage on vehicles.

As of 30.06.2010 average effective rates are 17.32 % for financial liabilities in TL and 8.13% for financial liabilities in USD.

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NOTE 8- FINANCIAL LIABILITIES (Continued)

As of 31 December 2009, the detail of financial liabilities is listed below (Leasing payables are excluded):

	Currency	Maturity	Nominal Balance	Book Value
Loan under guarantee (7)	TL	16.02.2010	2,000	2,418
Loan under guarantee (7)	USD	09.07.2010	3,212	3,222
Loan under guarantee (7)	TL	13.03.2010	490	584
Loan under guarantee (7)	TL	28.01.2010	500	538
Loan under guarantee (7)	TL	26.02.2010	450	475
Loan under guarantee (2)	USD	21.06.2010	639	640
Loan under guarantee (7)	TL	27.10.2010	850	871
Loan under guarantee (3)	TL	26.01.2010	17,000	21,111
Loan under guarantee (3)	TL	06.08.2010	3,000	3,245
Loan under guarantee (1)	USD	08.07.2010	2,311	2,315
Loan under guarantee (4)	USD	01.08.2011	25,085	25,918
Loan under guarantee (1)	USD	23.09.2010	4,115	4,121
Loan under guarantee (1)	TL	23.01.2010	375	446
Loan under guarantee (7)	USD	02.08.2010	964	969
Loan under guarantee (1)	USD	12.12.2011	7,529	7,556
Loan under guarantee (4)	TL	25.05.2010	480	543
Loan under guarantee (4)	TL	07.05.2010	3,700	3,973
Loan under guarantee (4)	TL	07.10.2011	1,950	2,032
Loan under guarantee (4)	TL	05.10.2011	5,250	5,477
Loan under guarantee (4)	TL	14.10.2011	1,500	1,553
Loan under guarantee (4)	TL	04.11.2011	6,800	6,987
Loan under guarantee (4)	TL	10.11.2011	500	512
Loan under guarantee (4)	TL	16.12.2011	4,200	4,226
Loan under guarantee (5)	USD	31.08.2012	20,176	20,749
Loan under guarantee (1)	TL	08.10.2010	1,000	1,034
Loan under guarantee (1)	TL	13.10.2010	500	516
Loan under guarantee (1)	TL	03.05.2010	825	842
Loan under guarantee (1)	TL	10.06.2010	2,000	2,014
Loan under guarantee (1)	TL	30.06.2010	400	400
Loan under guarantee (1)	USD	16.07.2012	3,614	3,643
Loan under guarantee (6)	TL	02.02.2010	6,250	7,261
Unguaranteed loan	TL	05.01.2010	439	439
			128,104	136,630

- (1) Obtained with Kiler Holding A.Ş.'s guarantee.
- (2) The promise of sale contract of Kiler Alışveriş's Başakşehir store has been pledged (Note 18).
- (3) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee and a mortgage of Klr İnş. Tic. Ltd. Şti.'s Esenkent store.
- (4) Kiler Holding A.Ş., the shareholders of Kiler Alışveriş, pledged 10% of Kiler Alışveriş shares on behalf of the lender (Note 27).
- (5) The Esenyurt head office building of Kiler Alışveriş has been mortgaged.
- (6) POS accounts of the Company are primarily charged by the bank under the condition of keeping the most recent installment and releasing the remaining balance free.
- (7) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee.

As of 31.12.2009 average effective rates are 22% for financial liabilities in TL and 7.65% for financial liabilities in USD.

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NOTE 9- OTHER FINANCIAL LIABILITIES

Short Term	30.06.2010	31.12.2009
Other financial liabilities (*)	2,937	2,806
	2,937	2,806

(*)In 12.12.2008 the original maturity date of the loan obtained amounting to USD 1,861 was 22.10.2009 and with 10% interest to be paid quarterly. According to the protocol signed on 21.12.2009 this liability was extended to 22.12.2010 and it was decided that 4.25% interest will be paid quarterly. No guarantee was issued for this loan.

NOTE 10- TRADE RECEIVABLES AND PAYABLES

Short Term	30.06.2010	31.12.2009
Accounts Receivables		
- Third Parties	4,632	3,628
- Related Parties (Note 37)	871	524
Notes Receivables		
- Third Parties	458	673
- Related Parties (Note 37)	5,000	5,000
	10,961	9,825
Deferred financing expense (-)	(111)	(308)
Provision for doubtful receivables(-)	(1,391)	(592)
	9,459	8,925

The movement of provision for doubtful receivables is listed below:

	01.01.- 30.06.2010	01.01.- 31.12.2009
As of January 1 balance	592	592
Provision balance	799	--
Closing balance	1,391	592

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NOTE 10- TRADE RECEIVABLES AND PAYABLES (Continued)

Trade receivables from third parties maturity is listed below:

	30.06.2010	31.12.2009
Overdue received	1,391	592
Between 1-3 months	3,566	3,510
Between 3-6 months	133	159
Between 6-12 months	--	40
	5,090	4,301

Trade receivables from related parties maturity is listed below:

	30.06.2010	31.12.2009
Between 1-3 months	5,871	524
Between 3-6 months	--	--
Between 6-12 months	--	5,000
	5,871	5,524

The Group's sales are generally retail sales in cash. The average collection period for the Company's trade receivables from related parties is 60 days (2009: 90) and for other trade receivables is 60 days (2009: 50).

A provision of TL 1,391 (2009: TL 592) has been set aside for the above mentioned overdue receivables which are without sufficient security.

	30.06.2010	31.12.2009
Trade Creditors		
- Third Parties	133,016	126,479
- Related Parties (Note 37)	3,812	15,411
Notes Payable		
- Third Parties	23,570	18,011
- Related Parties (Note 37)	182	--
Other Trade Payables	184	339
	160,764	160,240
Deferred Financing Income (-)	(1,512)	(2,525)
	159,252	157,715

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NOTE 10- TRADE RECEIVABLES AND PAYABLES (Continued)

Trade payables long-term	30.06.2010	31.12.2009
Notes Payable		
- Third Parties	1,794	5,357
	1,794	5,357

Trade Payables to third parties maturity listed below:

	30.06.2010	31.12.2009
Overdue payables	763	7,069
Between 1-3 months	147,020	126,596
Between 3-6 months	5,393	9,370
Between 6-12 months	3,594	1,794
More than one year	1,794	5,357
	158,564	150,186

Trade Payables to related parties maturity listed below:

	30.06.2010	31.12.2009
Between 1-3 months	3,912	11,882
Between 3-6 months	70	3,529
Between 6-12 months	12	--
	3,994	15,411

The average payment period for the Company's trade payables to related parties is 60 days (2009: 70) and for other trade payables is 55 days (2009: 52).

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NOTE 11– OTHER RECEIVABLES AND PAYABLES

Short term receivables:	30.06.2010	31.12.2009
Sundry debtors		
- Third parties	2,205	1,998
- Related parties (Note 37)	48,896	50,638
- Shareholders (Note 37)	3,082	--
Provision from doubtful receivables (-)	(1,214)	(1,140)
	52,969	51,496

Provision for other doubtful receivables is listed below:

	01.01.- 30.06.2010	01.01.- 31.12.2009
As of January 1 Balance	1,140	206
Provisions in period	74	934
Closing balance	1,214	1,140

Short term payables:	30.06.2010	31.12.2009
Due to personnel	3,378	2,921
Order advances received	129	152
Other sundry payables		
- Third parties	592	73
- Related parties (Note 37)	25,862	25,413
- Shareholders (Note 37)	12,548	15,777
	42,509	44,336

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NOTE 12- RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None (31.12.2009: None).

NOTE 13- INVENTORIES

	30.06.2010	31.12.2009
Raw materials	2,201	1,068
Merchandises (*)	179,448	159,911
Other inventories	140	884
Provision for diminution in value (-)	--	(790)
	181,789	161,073

(*)In 2010, the Company determined to sell its slow moving merchandises amounting to TL 30,652 in the accompanying financial statements as of 31.12.2009 (the remaining balance as of 30.06.2010: TL24,930) to its related parties for TL 32,149 by deducting the sale amount from related parties' current accounts. The sale is planned to be TL 10,426 from Kiler Alışveriş's merchandises (the remaining balance as of 30.06.2010: TL 5.842) and TL 20,226 (the remaining balance as of 30.06.2010: TL17.923) from Kiler Ankara's merchandises. Kiler Alışveriş and Kiler Ankara have signed separate protocols with each related party on 03.03.2010 to sell TL 28,209 (the remaining balance as of 30.06.2010: TL22.473) of their merchandises. Additionally, TL 2,443 of these inventories which are not subject to any sale agreement has been sold to shareholders as of the audit report date. The sales plan of the above mentioned merchandises is detailed below:

30.06.2010:

Customer	Kiler Alışveriş	Kiler Ankara	Total Sales Amount
Kadir Caner	--	1,292	1,292
Ümit Kiler	--	5,972	5,972
Vahit Kiler	--	119	119
Nahit Kiler	--	198	198
Kiler Alışveriş Hizm. Gıda San. Tic. Ltd. Şti.	1,485	11,239	12,724
Bağcı Sebze Meyve Tar. Ür. Su Ür. Soğuk Hav. Depo Tic. A.Ş.	1,466	--	1,466
Yayla Etçilik Besicilik Tic. A.Ş.	1,351	--	1,351
Denge Reklam Tur. İnş. Gıda Elekt. San. Ltd. Şti.	1,808	--	1,808
	6,110	18,820	24,930

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NOTE 13- INVENTORIES (Continued)

31.12.2009:

Customer	Kiler Alışveriş	Kiler Ankara	Total Sales Amount
Kadir Caner	--	2,443	2,443
Ümit Kiler	--	7,238	7,238
Vahit Kiler	--	119	119
Nahit Kiler	--	198	198
Kiler Alışveriş Hizm. Gıda San. Tic. Ltd. Şti.	3,915	11,239	15,154
Bağcı Sebze Meyve Tar. Ür. Su Ür. Soğuk Hav. Depo Tic. A.Ş.	3,071	--	3,071
Yayla Etçilik Besicilik Tic. A.Ş.	2,118	--	2,118
Denge Reklam Tur. İnş. Gıda Elekt. San. Ltd. Şti.	1,808	--	1,808
	10,912	21,237	32,149

The sales that have taken place and that have not yet taken place amount to TL 30,652 and the sales plan according to dates is stated below:

Date of sale	Tutar
July 2010	5,491
August 2010	3,945
September 2010	3,895
October 2010	2,346
November 2010	1,590
December 2010	1,960
January 2011	1,857
February 2011	1,871
March 2011	1,975
Balance at 30.06.2010	24,930
March 2010	1,225
April 2010	1,236
May 2010	1,296
June 2010	3,462
Total	32,149

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NOTE 13- INVENTORIES (Continued)

The record of impairment in inventories is detailed below:

	01.01.- 30.06.2010	01.01.- 31.12.2009
Opening balance	790	--
Provisions for period	--	790
Insurance claims income	(25)	--
Inventories written-off	(765)	--
	--	790

Insurance guarantee on inventories amounts to TL 95,297 (2008: TL 89,547).

NOTE 14- LIVE ASSETS

None (31.12.2009: None).

NOTE 15- RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None (31.12.2009: None).

NOTE 16- INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

None (31.12.2009: None).

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NOTE 17- INVESTMENT PROPERTY

	31.12.2009	Additions	Fair value	30.06.2010
<u>Cost value</u>				
Land	1,168	--	--	1,168
Building	22,072	23,845	(814)	45,103
Net book value	23,240	23,845	(814)	46,271

	31.12.2008	Additions	Fair value	31.12.2009
<u>Cost value</u>				
Land	962	105	101	1,168
Building	--	22,370	(298)	22,072
Net book value	962	22,475	(197)	23,240

Type of real estate	Expert company	Expert report date	Report number	Net book value	Fair value	Value increase/ (decrease)
Esenyurt building (***)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	05.08.2010	2010_1089	23,845	23,031	(814)
				23,845	23,031	(814)

Type of real estate	Expert company	Expert report date	Report number	Net book value	Fair value	Value increase/ (decrease)
Bahçelievler land (*)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	03.08.2010	2010_1082	1,067	1,168	101
Esenyurt building (**)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	05.08.2010	2010_1089	22,370	22,072	(298)
				23,437	23,240	(197)

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NOTE 17- INVESTMENT PROPERTY (Continued)

(*) Bahçelievler land

The building plot is in the province of Istanbul, Bahçelievler, Kocasınan, 1 plot, 15704 parcel is a common property. According to the land registry office records the land is registered to Fatma Elbasan and other shareholders. The relation with Kiler Alışveriş is created with the real estate sale promise contract stated between Kiler Alışveriş and Hüseyin Ermiş, Biray Ermiş Samet Ermiş, Serkan Ermiş, Sertaç Ermiş, Mümin Çakıcı, Fatma Arıcı, İzzet Akçor, Fatma Kültür, Halil Akçor, Nurcan Erkin, Fatma Ermiş, Nurhan Ermiş, İrfan Meral, Fatma Elbasan Ayşe Biçim, Reyhan Kaplan, Bedika Ermiş, Necdet Ermiş, Hikmet Ermiş or their assignees. According to the sales promise contracts 26 of 36 shares has been bought by Kiler Alışveriş and these sale contracts have been approved by the notary. However these transactions have not been recorded in the land registry records yet. The Company recorded this land at cost until 31.12.2009 and decided to account this real estate with fair value model on 31.12.2009.

(**) Esenyurt building (sections numbered 8, 15, 17, 18 and 19)

The building is registered in Istanbul, Esenyurt on a 347 block on 10 parcel and consists of office sections. The closed area is 16,500 m² and 13,074 m² of this area is rented to related companies. The remaining 3,426 m² is in the use of the Company and is classified in plant, property and equipment. The Company bought this real estate from related party Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. on 28.08.2009. The real estate which was accounted at cost up until 31.12.2009, when it was valued at fair value.

(***) Esenyurt building (sections numbered 10, 11, 12 and 13)

The building is registered in Istanbul, Esenyurt on a 347 block on 10 parcel and consists of warehouse sections. The closed area is 20,863 m² and 8,239 m² of this area is rented to Etap Dış Tic. Ltd. Şti. The remaining 12,624 m² of the closed area is not in use. The Company bought this real estate from its related party Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. on 06.01.2010. The real estate which was accounted at cost up until 31.12.2009 was valued at fair value on this date. The net book value of this real asset as of 31.12.2009 was TL 23,845 and the current market value was TL 23,031. The value decrease has been reflected in the income statement in the other expenses account.

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NOTE 17- INVESTMENT PROPERTY (Continued)

Details of investment property is listed below:

Explanation	Exact Square Meters	Monthly rent	The company rented	Fair value
Bahçelievler 1. area subdistrict Ayazma mevkii 1 section 15704	1,170	--	--	1,168
Esenyurt 347 block 10 numbered parcel 8 numbered independent section basement office building	1,713	USD 1,208	Kiler Holding A.Ş.	3,854
Esenyurt 347 block 10 numbered parcel 15 numbered independent section basement intermediate story building	1,713	USD 8,565	Kiler Holding A.Ş.	3,169
Esenyurt 347 block 10 numbered parcel 17 numbered independent ground floor office building	1,713	USD 1,993	Kiler Holding A.Ş.	3,169
Esenyurt 347 block 10 numbered parcel 18 numbered independent ground floor office intermediary story building	1,713	USD 4,282	Kiler Holding A.Ş.	3,169
Esenyurt 347 block 10 numbered parcel 19 numbered independent section first floor office building	6,222	USD 1,303	Kiler Holding A.Ş.	8,711
Esenyurt 347 block 10 numbered parcel 10 numbered warehouse	56	--	--	84
Esenyurt 347 block 10 numbered parcel 11 numbered independent section basement warehouse building	72	--	--	108
Esenyurt 347 block 10 numbered parcel 12 numbered independent section basement warehouse building (*)	20,659	USD 38,000	Etap Dış Tic. Ltd. Şti.	22,726
Esenyurt 347 block 10 numbered parcel 13 numbered independent section basement warehouse building (*)	76	USD 38,000	Etap Dış Tic. Ltd. Şti.	113
				<u>46,271</u>

(*) 8,239 m² of the section numbered 12 and 76 m² of the section numbered 13 totalling to 8,315 m² of the Esenyurt building have been rented to Etap Dış Tic. Ltd. Şti. for monthly USD 38,000.

As of the report date the Group's investment properties are mortgaged by banks as follows:

Bank	Sort	Currency Type	30.06.2010		31.12.2009	
			Foreign Currency Balance	Foreign Currency Balance	TL Balance	TL Balance
Halkbank	Real Estate	USD	22,500	35,431	22,500	33,878
Yapı Kredi Bankası	Real Estate	USD	16,500	25,983	--	--

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NOTE 18- PROPERTY, PLANT AND EQUIPMENT

	31.12.2009	Additions	Disposals	30.06.2010
<u>Cost value</u>				
Land	21,311	--	--	21,311
Buildings	15,143	--	--	15,143
Machinery and equipment	3,499	110	--	3,609
Vehicles	14,724	530	(876)	14,378
Furniture and fixtures	119,248	1,453	--	120,701
Leasehold improvements	38,224	1,248	--	39,472
Machinery and equipment under financial leasing	1,262	--	--	1,262
Vehicles under financial leasing	500	--	--	500
Furniture and fixtures under financial leasing	1,879	--	--	1,879
Advances given	5	--	(5)	--
	215,795	3,341	(881)	218,255
<u>Accumulated Depreciation</u>				
Buildings	--	155	--	155
Machinery and equipment	1,333	174	--	1,507
Vehicles	6,210	680	(392)	6,498
Furniture and fixtures	48,316	6,728	--	55,044
Leasehold improvements	13,413	1,438	--	14,851
Machinery and equipment under financial leasing	319	63	--	382
Vehicles under financial leasing	184	25	--	209
Furniture and fixtures under financial leasing	339	94	--	433
	70,114	9,357	(392)	79,079
Net book value	145,681	(6,016)	(489)	139,176

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NOTE 18- PROPERTY, PLANT AND EQUIPMENT (Continued)

	31.12.2008	Additions	Disposals	Revaluation Differences	31.12.2009
<u>Cost value</u>					
Land	--	15,120	--	6,191	21,311
Buildings	3,708	8,480	--	2,955	15,143
Machinery and equipment	3,465	57	(23)	--	3,499
Vehicles	14,065	1,162	(503)	--	14,724
Furniture and fixtures	88,375	30,881	(8)	--	119,248
Leasehold improvements	36,958	1,266	--	--	38,224
Machinery and equipment under financial leasing	1,262	--	--	--	1,262
Vehicles under financial leasing	500	--	--	--	500
Furniture and fixtures under financial leasing	1,879	--	--	--	1,879
Construction in progress	--	--	--	--	--
Advances given	--	5	--	--	5
	150,212	56,971	(534)	9,146	215,795
<u>Accumulated Depreciation</u>					
Buildings	406	141	--	(547)	--
Machinery and equipment	1,053	287	(7)	--	1,333
Vehicles	5,286	1,249	(325)	--	6,210
Furniture and fixtures	39,663	8,653	--	--	48,316
Leasehold improvements	10,686	2,727	--	--	13,413
Machinery and equipment under financial leasing	193	126	--	--	319
Vehicles under financial leasing	134	50	--	--	184
Furniture and fixtures under financial leasing	151	188	--	--	339
	57,572	13,421	(332)	(547)	70,114
Net book value	92,640	43,550	(202)	9,693	145,681

Insurance on property, plant and equipment amounts to TL 285,012 (2009 - TL 282,012).

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NOTE 18- PROPERTY, PLANT AND EQUIPMENT (Continued)

Real Estate Company	Expert Company	Expert Date	Report Number	Net book value	Expert value	Value increase/ (decrease)
Başakşehir Land and Building (*)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	26.07.2010	2010_1065	3,137	13,605	10,468
Kartal Land and Building (**)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	03.08.2010	2010_1081	15,120	15,450	330
Esenyurt Building (***)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	05.08.2010	2010_1089	8,044	6,937	(1,107)
Kağıthane Land and Building (****)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	09.08.2010	2010_1102	92	113	21
Başakşehir Residence (*****)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	09.08.2010	2010_1103	369	350	(19)
				26,762	36,455	9,693

(*) The Bahçeşehir land is in the province of Istanbul, Esenler, İkitelli, 1266 blocks and parcel number 1 with an area of 5,448m². In the land registry this land is registered on behalf of KIPTAŞ ((Istanbul Konut, İmar, Plan, Turizm Ulaşım San. ve Tic. A.Ş.) and was bought by Kiler Alışveriş on 23.05.2003 with the promise of sale contract numbered 14789. Due to the continuation of other projects of KIPTAŞ in that area the transfer of land registry has not been completed as of the report date. Kiler Alışveriş has been carrying out all of the legal obligations with regards to the real estate since the date of purchase. The building on that land does not have any certificate of approval. The Group has accounted this land and building at cost less accumulated depreciation until 31.12.2009.

(**) The Kartal land and building is in the province of Istanbul, Kartal, Yukarı Mahalle, block 568, parcel 21 and the land area consists of 4,315 m² structures over that land. The parcel is seen as 2 parcels according to the municipality records. The structure on the land consists of a supermarket, 2 residence blocks and an office. The office building does not have any certificate of occupancy. The Group has accounted this land and building at cost less accumulated depreciation until 31.12.2009. On 31.12.2009 the Group has chosen to account its land and building under the fair value method.

(***) The building is registered in Istanbul Esenyurt 347 block, 10 parcel which belongs to Kiler Alışveriş. The land area consists of a total of 16,500 m² and 3,426 m² of this land area is used by Kiler Alışveriş. The remaining section is rented and is therefore classified as investment property. The Group has accounted this land and building at cost less accumulated depreciation until 31.12.2009. On 31.12.2009 the Group has chosen to account its land and building under the fair value method.

(****) According to the land registry Kağıthane land and building is in the province Istanbul, Kağıthane, Gürsel, 10301 block with an area of 206 m². 136/1236 share belongs to Kiler Alışveriş and consists of an open area of 23 m², 72 m² licensed closed area and 43 m² unlicensed closed area. The Group has accounted for this land and building at cost less accumulated depreciation until 31.12.2009. On 31.12.2009 the Group has chosen to account for its land and building under the fair value method.

(*****) The Başakşehir residence is in the province of Istanbul, Başakşehir, Hoşdere, 559 block and building plot 1 and consists of 120 m² suite. The Group has accounted for this land and building at cost less accumulated depreciation until 31.12.2009. On 31.12.2009 the Group has chosen to account for its land and building under the fair value method.

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NOTE 18- PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's land, vehicles and buildings have been mortgaged on behalf of banks as of the report date as detailed below:

Bank	Sort	Foreign Currency Type	30.06.2010	30.06.2010	31.12.2009	31.12.2009
			Foreign Currency Balance	TL Balance	Foreign Currency Balance	TL Balance
TFK	Fixed Property	TL	20,000	20,000	20,000	20,000
Halkbank	Fixed Property	USD	22,500	35,431	22,500	33,878
Albaraka	Fixed Property	TL	20,000	20,000	20,000	20,000
Yapı Kredi Bankası	Fixed Property	USD	16,500	25,983	--	--
Türkiye Finans Katılım Bankası	Vehicles	TL	1,175	1,175	--	--

NOTE 19– INTANGIBLE ASSETS

	31.12.2008	Additions	31.12.2009	Additions	30.06.2010
<u>Cost Value</u>					
Other intangible assets	1,042	234	1,276	173	1,449
	1,042	234	1,276	173	1,449
<u>Accumulated amortization</u>					
Other intangible assets	688	153	841	91	932
	688	153	841	91	932
Net book value	354	81	435	82	517

Other intangible assets mainly consist of programs, software and licenses.

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NOTE 20– GOODWILL

	30.06.2010	31.12.2009
Goodwill	43,652	43,652
	43,652	43,652
Kiler Ankara Mağazacılık San. ve Tic. A.Ş.	30,011	30,011
Kiler Trakya Mağazacılık San. ve Tic. A.Ş.	13,641	13,641
	43,652	43,652

The revaluation of cash generating units are calculated according to 5 years budget of these units with 2% terminal growth. Net present value is calculated using 10% discount rate on before tax cash flows. Based on this computation explained above, no impairment was identified.

NOTE 21- GOVERNMENT GRANTS

None (31.12.2009: None).

NOTE 22– PROVISIONS

22.1. Contingent liabilities

	30.06.2010	31.12.2009
Provision of lawsuits	5,179	5,435
	5,179	5,435

There are several law suits which have been filed against or in favor of the Group. These lawsuits mainly consist of receivables, rent and employee law suits. The management evaluates the possible effect of these law suits on the Group, the financial effects and the possible outcomes at the end of every period and necessary provisions has been set aside in the accompanying financial statements.

As of 30 June 2010 there is a total of 151 law suits and enforcement proceedings opened by the Company amounting to TL 5,547. There is a total of 369 law suits and enforcement proceedings which had been filed against the Company amounting to TL 7,770.

As of 31 December 2009 there was a total of 115 law suits and enforcement proceedings opened by the Company amounting to TL 3,875. There was a total of 261 law suits and enforcement proceedings which had been filed against the Company amounting to TL 6,663.

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22.2. Contingent assets

None (31.12.2009: None).

NOTE 23- COMMITMENTS AND CONTINGENCIES

The Group's guarantee, mortgage and accessory contract (GMA) position are shown below:

	30.06.2010	31.12.2009
A GMA given on behalf of the Group's legal entity	94,291	113,018
B GMA given on behalf of the Group's subsidiaries	--	--
C GMA given on behalf of third parties within trading operations	--	--
D Other GMA		
- Given on behalf of shareholders	200,822	144,087
- Given on behalf of related parties except B and C	179,450	92,585
- Given on behalf of third parties except C		--
	--	
	474,563	349,690

A loan agreement was signed between Denizbank A.Ş., Kiler Alışveriş and Kiler Alışveriş's shareholders on 30.12.2005. In the context of this agreement 50% of Kiler Ankara shares are pledged. 47% of this 50% share belongs to Kiler Alışveriş, the remaining 3% belongs to the shareholders of Kiler Alışveriş. Kiler Alışveriş transferred this loan to Kiler Holding A.Ş. in 2008 as a result of the partial transfer. As of the report date the pledge on 50% of Kiler Ankara shares explained above is still ongoing against the total risk of Kiler Holding A.Ş. resulting from the loan agreement mentioned above.

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NOTE 24– PROVISION FOR EMPLOYEE TERMINATION BENEFITS

	30.06.2010	31.12.2009
Severance Payment Provisions	3,112	2,568

Under Turkish law, the Company is required to pay employment termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). In addition, under the existing Social Security Law No. 506, clause No. 60, amended by the Labor Laws dated 06.03.1981, No. 2422 and 25.08.1999, No. 4447, the Company is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities.

Severance payments are estimated based on 30 days gross salary for each year. The maximum price is TL/year 2,427.04 as of the related balance sheet date, 30.06.2010 (31.12.2009: TL/year 2,365.16).

Such payments are not required to be funded. Therefore no fund is reserved for such payments in the financial statements.

In its financial statements the Company reflected a liability for termination benefits based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted to present value at the balance sheet date by using average market yield, expected inflation rates and an appropriate discount rate.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. As of 30.06.2010 the liability for employment termination benefits was calculated based on an annual real discount rate of 5.92% (31.12.2009: an annual real discount rate of 5.92%) using estimated annual inflation rate of 4.8% and discount rate of 11.4%.

Severance payment provision table listed below:

	01.01.-30.06.2010	01.01.-31.12.2009
January 1 balance	2,568	2,710
Charge for the period	902	668
Payments	(358)	(810)
Total	3,112	2,568

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NOTE 25- PENSION PLANS

None (31.12.2009: None).

NOTE 26- OTHER ASSETS AND LIABILITIES

	30.06.2010	31.12.2009
Prepaid expenses	939	430
Prepaid rent expenses	4,901	3,432
VAT carried forward	355	1,710
Advances given for business purposes	2,146	970
Deposits and guarantees given	292	260
Income accruals	189	806
Premium on sales and other income accrual	1,629	--
Advances given	11,435	15,352
Advances given to related parties (Note 37)	850	--
Provision for advances given	(7,600)	(3,291)
	15,136	19,669

The transaction of provision for advances given is below:

	01.01.-30.06.2010	01.01.-31.12.2009
Opening balance	3,291	1,931
Charge for the period	4,762	1,360
Advances given written-off	(453)	--
	7,600	3,291

Other long-term assets

	30.06.2010	31.12.2009
Prepaid expenses	--	2
Prepaid rent expenses	8,855	11,724
	8,855	11,726

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NOTE 26– OTHER ASSETS AND LIABILITIES (Continued)

Other short-term liabilities	30.06.2010	31.12.2009
Social security premiums and taxes	3,039	3,893
Expense accruals	--	8
Deposits and guarantees received	242	142
Provision for customer loyalty program	218	274
	3,499	4,317

NOTE 27- EQUITY

The capital of the Company as at 30.06.2009 and 31.12.2009 was TL 121,120 and TL 105,000, respectively. This capital consisted of 12,112,000,000 (2009: 10,500,000,000) TL 87,382 (2009: TL 72,262) shares for Krş 1 (Krş 1) each and comprise of 8,738,158,929 shares (2009: 7,226,158,929) are A group shares and TL 33,738 (2009: TL 32,738) which comprise of 3,373,841,071 shares (2009: 3,273,841,071) are B group shares. A group shares are bearer shares and B group shares are registered shares. These shares are equally held by shareholders according to their shareholding percentage and no privileges are assessed.

27.1)	30.06.2010		31.12.2009	
	<u>%</u>	<u>Share Amount</u>	<u>%</u>	<u>Share Amount</u>
Nahit Kiler	16.30	19,743	14.00	14,700
Vahit Kiler	16.30	19,743	14.00	14,700
Ümit Kiler	16.30	19,743	14.00	14,700
Hikmet Kiler	0.90	1,090	1.00	1,050
Sevgül Kiler	0.60	726	0.65	682
Kiler Holding A.Ş.	48.40	58,622	55.00	57,750
Denge Reklam Turizm İnş.Eml.Gıda Elekt.Elektronik San.Ve Tic.Ltd.Şti.	1.20	1,453	1.35	1,418
		121,120		105,000
Capital commitments (-)		--		(3,800)
		121,120		101,200

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NOTE 27- EQUITY (Continued)

In the extraordinary general meeting of shareholders of Kiler Alışveriş dated 11.06.2010 the capital of the Company which was 105,000 TL was increased to TL 121,120. TL 1,000 of the share capital increase was financed by the shareholders' cash capital injection and TL 15,120 was financed by the special fund which comprised of assets received from shareholders to be added to the share capital according to law number 5811. The decision was registered on 22.06.2010 and was issued in the Turkish Commercial Register Newspaper dated 28.06.2010 numbered 7594.

In the extraordinary general meeting of shareholders of Kiler Alışveriş dated 18.08.2009 the capital of the Company which was TL 100,000 was increased to TL 105,000. TL 1,000 of the capital increase was financed by the special fund which comprised of assets received from shareholders to be added to the share capital according to law number 5811 (Note 27.4) and TL 4,000 was increased by shareholders in cash. The decision was registered on 01.09.2009 and was issued in the Turkish Commercial Register Newspaper dated 04.09.2009 numbered 7391.

The shareholders of the Group pledged Kiler Alışveriş shares as a guarantee of Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.'s loan on 30.06.2010. The limit of the loan is USD 110,000. According to the loan agreement Kiler Holding's 2,802,896,705 A group shares and 2,059,311,295 B group shares, Ümit Kiler's 963,075,749 A group shares and 406,180,251 B group shares and Nahit Kiler's 963,075,749 A group shares and 406,180,251 B group shares, Vahit Kiler's 1,608,791,222 A group shares and 365,464,778 B group shares, Hikmet Kiler's 83,170,759 A group shares and 25,837,241 B group shares, Denge Reklam Turizm İnş.Eml.Gıda Elekt.Elektronik San.ve Tic. Ltd. Şti.'s 39,968,726 A group shares and 105,375,274 B group shares totaling 9,829,328,000 shares (which comprise 81% of Kiler Alışveriş's total share capital) are pledged for a first degree on behalf of the lender for the principal loan amount and any type of accrual in terms of interest and expense.

- According to the renewed agreement a maximum of 30% of Kiler Alışveriş shares may be offered to the public and the pledge for the maximum of 30% of shares will be terminated under the conditions stated below:
 - i- Not existing past or present default.
 - ii- If the initial public offering does not take place, the shares set free from the lender for the possibility of the initial public offering, will need to be refunded back to the lender party, for a pledge to be reformed on behalf of the lender.
 - iii- All these issues will be subject to the assignment of the claim agreement and the public offering protocol which will be signed in between the borrower, the shareholder and the lender.
 - iv- The initial public offering should reach the stage that the Capital Market Boards of Turkey obliges and demanded the termination of pledges of shares.
 - v- All procedures and formalities to bring the shares into circulation should be completed in accordance with regulations and all processes with the Central Registry Agency and Istanbul Stock Exchange Settlement and Custody Bank Inc. should be completed.

The shareholders of the Group pledged Kiler Alışveriş shares on behalf ING Bank as a guarantee of Kiler Alışveriş and Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.'s bank loans on 01.08.2008. According to the loan agreement Kiler Holding's 1,000,000,000 registered shares (which comprise 10% of Kiler Alışveriş's total share capital) are pledged on behalf of the lender for the principal loan amount and any type of accrual in terms of interest and expense. As of 30.06.2010 the share capital of the Company was increased to TL 121,120 and the pledge on 1,000,000,000 shares of ING bank was declined to 8.26% on total shares, the operation of increasing the pledged shares percentage to 10% is in an ongoing process.

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NOTE 27- EQUITY (Continued)

A loan agreement was signed between the Group's shareholders Nahit Kiler, Ümit Kiler and Denizbank A.Ş. on 07.01.2008. In the context of this agreement 10% of Kiler Alışveriş shares are pledged as a guarantee for Kiler Holding's loan.

The pledges on shares of consolidated subsidiary (Kiler Ankara) are explained in Note 23.

27.2)	30.06.2010	31.12.2009
Legal Reserves	904	781
Extraordinary Reserves	11,258	11,258
	12,162	12,039
27.3)	30.06.2010	31.12.2009
General Reserves	(16,702)	(24,541)
	(16,702)	(24,541)
27.4)	30.06.2010	31.12.2009
Revaluation surpluses and special funds	13,811	28,931
	13,811	28,931

According to Bring in Assets to the National Economy Law numbered 5811 dated 22.11.2008; companies are prompt to present to banks, brokerage institutions or tax offices until 31.12.2009 the fair value of their money, gold, securities and other financial investments held abroad and other assets demonstrable with related documents existed as of 01.06.2009.

These assets are recorded in the statutory books according to law number 213 and a special fund should be created under the equity for these assets. This fund is a part of the share capital that should be used in share capital increases and cannot be used for other purposes and in case of liquidation it is not subject to taxation.

According to the law mentioned above; in 2009 the group received TL 26,523 injection to its equity which consisted of TL 10,900 of bank accounts (TL 1.000 belongs to Kiler Alışveriş and TL 9.900 belongs to Kiler Ankara), TL 15,120 of Kartal land and building (belongs to Kiler Alışveriş) (Note 18) and TL 503 of injection to the equity of its subsidiaries. In the extraordinary meeting dated 18.08.2009 TL 1,000 of this fund is used for capital increase.

In the extraordinary general meeting of shareholders of Kiler Alışveriş dated 11.06.2010, TL 15,120 and in the extraordinary general meeting dated 28.06.2010 TL 9,900 of the above mentioned fund are used to finance share capital increase.

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NOTE 28 - SALES AND COST OF SALES

	01.01- 30.06.2010	01.01- 30.06.2009
Retail and wholesale sales	347,160	320,736
Other sales	49,906	58,317
	397,066	379,053
Minus: Deductions and returns	(4,729)	(3,517)
Sales revenues (net)	392,337	375,536
Cost of sales	(281,125)	(279,358)
Gross Profit	111,212	96,178

NOTE 29- RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	01.01- 30.06.2010	01.01- 30.06.2009
Marketing, Selling and Distribution Expenses (-)	67,511	61,513
General Administrative Expenses (-)	20,773	15,046
	88,284	76,559

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NOTE 30 – OPERATING EXPENSE BREAKDOWN

Marketing, Selling and Distribution Expenses	01.01- 30.06.2010	01.01- 30.06.2009
Personnel expense	26,300	21,551
Office expense	7,138	6,933
Advertisement expense	3,212	3,238
Rent expense	15,340	17,128
Repair and maintenance expense	2,558	1,650
Packaging expenses	330	1,092
Security expense	566	549
Communication expense	147	237
Motor vehicle expenses	1,281	1,021
Insurance expense	409	512
Tax expense	672	739
Bank expense	683	513
Remuneration expense	142	42
Depreciation and amortization expense	5,677	3,878
Sale commission expense	418	486
Travelling expenses	1,464	1,080
Other	1,174	864
	67,511	61,513

General and Administrative Expenses	01.01- 30.06.2010	01.01- 30.06.2009
Personnel expense	2,698	1,778
Travelling expenses	231	237
Consulting expense	399	405
Office expense	2,270	3,411
Rent expense	597	809
Motor vehicle expenses	1,743	982
Insurance expense	185	174
Repair and maintenance expense	316	270
Communication expense	380	347
Tax expense	118	167
Provision for severance pay	902	472
Provision for doubtful receivables	5,635	2,148
Depreciation and amortization expense	3,679	2,566
Other	1,620	1,280
	20,773	15,046

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NOTE 31– INCOME/EXPENSE FROM OTHER OPERATIONS

Other Operating Income and Profit:	01.01- 30.06.2010	01.01- 30.06.2009
Insurance claim income	623	492
Income on sale of fixed assets	41	64
Other income	234	333
	898	889
Other Operating Expenses:	01.01- 30.06.2010	01.01- 30.06.2009
Loss on sale of fixed assets	64	11
Loss on penalties and claims	624	70
Donation expenses	24	323
Lawsuit provision	272	75
Tax expense	262	185
Diminution in net book value of property, plant and equipment	815	--
Other expenses	498	221
	2,559	885

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NOTE 32- FINANCIAL INCOME

	01.01-30.06.2010	01.01-30.06.2009
Dividend income	--	112
Term differences on credit sale	196	128
Interest income from related parties	82	12
Foreign exchange gain	445	9,846
Profit on marketable securities	--	374
Total	723	10,472

NOTE 33- FINANCIAL EXPENSES

	01.01-30.06.2010	01.01-30.06.2009
Term differences on credit purchase	2,616	2,365
Interest expense	7,932	13,480
Foreign exchange expense	3,731	6,532
Other	73	29
Total	14,352	22,406

NOTE 34- ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (31.12.2009: None)

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NOTE 35- TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX)

After 01 January 2006 the corporation tax rate in Turkey is 20% (30% for 2005).

The Corporation tax is applied on the total income of the Company after adjusting for certain disallowable expenses. No further tax is payable unless the profit is distributed. If the whole or a part of profit is distributed to:

- Individuals;
- Individuals and companies excepted or exempted from income and corporation taxes or;
- Non residents companies and individuals,

it is subject to 15% withholding tax. An increase in capital via issuing bonus shares is not considered as a profit distribution and no withholding tax is applied.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability.

75% of income from the sale of participation shares and property, which were held for at least two years, to be added to share capital are exempt from corporation tax provided that the transfer of this income to share capital takes place as provided in the Corporation Tax Law.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate. Tax returns are open for 5 years from the beginning of the year that follows the date of filing, during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The computation of the statutory taxes for the periods 30.06.2010 and 30.06.2009 is as follows:

Balance Sheet	30.06.2010	31.12.2009
Current period corporation tax charge	1,296	1,331
Prepaid taxes	(635)	(412)
	661	919
	01.01- 30.06.2010	01.01- 30.06.2009
Income Statements		
Current period corporation tax charge	(1,296)	(374)
Deferred tax income / (expense)	(603)	(1,213)
Total tax income / (expense)	(1,899)	(1,587)

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NOTE 35- TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Continued)

b) Deferred Tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements prepared in accordance with the Communiqué and the statutory tax financial statements.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/(liabilities) provided at 30.06.2010 and 31.12.2009 using the enacted tax rates are as follows:

	<u>Total</u>		<u>Deferred tax asset/(liabilities)</u>	
	<u>temporary differences</u>		<u>30.06.2010</u>	<u>31.12.2009</u>
	<u>30.06.2010</u>	<u>31.12.2009</u>	<u>30.06.2010</u>	<u>31.12.2009</u>
Discount on trade receivable	111	308	22	62
Provision for severance payments	3,112	2,568	622	514
Finance expense	430	3,898	86	780
Provision for doubtful receivables	9,498	4,425	1,900	885
Cancellation of capitalized interest expense	24,858	24,831	4,972	4,966
Term difference on inventories	457	1,087	91	217
Lawsuit provision	5,179	5,435	1,036	1,087
Previous Year Losses	--	2,871	--	574
Revaluation differences on investment property	1,012	197	202	39
Confirmation differences	3,235	646	647	128
Other	531	434	107	88
Discount on trade payable	(1,512)	(2,525)	(302)	(505)
Revaluation difference on land and buildings	(9,692)	(9,692)	(1,938)	(1,938)
Difference on depreciation arising from recalculation with useful economic life	(43,406)	(39,282)	(8,682)	(7,857)
Share premiums and other income accruals	(1,629)	--	(326)	--
Deferred tax assets	48,423	4,700	9,685	9,340
Deferred tax liabilities	(56,239)	(51,499)	(11,248)	(10,300)
Deferred tax assets / liabilities, net	(7,816)	(4,799)	(1,563)	(960)

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NOTE 35- TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Continued)

Reconciliation of deferred tax as follows:

	30.06.2010	31.12.2009
Deferred tax assets / (liabilities), net current period	(1,563)	(960)
Deferred tax assets / (liabilities), net beginning of the period (-)	960	(7,480)
	(603)	(8,440)
Deferred tax income / (expense)	(603)	(6,276)
Deferred tax on fair value gain of property, plant and equipment	--	(2,164)
	(603)	(8,440)

The tax expense from the consolidated financial statements belonging to the accounting periods are as seen below:

	01.01.- 30.06.2010	01.01.- 30.06.2009
Profit before tax	7,638	7,689
Tax expense expected as a result of the main partnership tax rate (20%)	(1,528)	(1,538)
Group's expected tax expense	(1,528)	(1,538)
Effect of tax disallowed expenses	(392)	(169)
The tax effect of other incomes exempt from tax	574	22
Other differences	(553)	98
Group's tax expense for the period	(1,899)	(1,587)

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NOTE 36– EARNINGS PER SHARE

	01.01- 30.06.2010	01.01- 30.06.2009
Shareholders' net profit/(loss) for the period	5,739	6,102
Minority's net loss for the period	(750)	(1,395)
Profit attributable to equity holders of company	4,989	4,707
Weighted average number of outstanding ordinary shares	12,013,104,972	11,512,000,000
Earnings per share full (TL)	0.0004	0.0004

NOTE 37- RELATED PARTIES DISCLOSURES

As detailed in conditions c, d, e and f below, the Group has entered into several financing transactions with its related parties. No interest has been calculated on these amounts. According to the Board of Directors' decision dated 30.07.2010 numbered 184, all receivables/debts which are given/obtained to/from related parties with the aim of financing will be subject to interest.

a)

Trade receivables from related parties	30.06.2010	31.12.2009
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	--	169
Ayone Enerji Ür. A.Ş.	6	--
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	294	294
Beyaz Çınar Yapı İnş. Emlak Yön. Hizm. Ltd. Şti.	154	61
De-ka Petrol Ürün. Paz. Day. Tük. Mal. Tur. İnş. Taah. San. Tic. Ltd. Şti.	377	--
Nur-Tek Elekt. Üretim A.Ş.	38	--
Ümit Sağlık Hizm. San. ve Tic. A.Ş.	2	--
	871	524

Notes receivables from related parties	30.06.2010	31.12.2009
Tureks Tur. Taş. İnş. San. A.Ş.	5,000	5,000
	5,000	5,000

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NOTE 37- RELATED PARTIES DISCLOSURES (Continued)

b)

Trade payables to related parties	30.06.2010	31.12.2009
Kütahya Şeker Fabrikası A.Ş.	431	10,219
Bağcı Sebze Meyve Tar. Ürünleri Su Ür. Soğuk Hav. Depo Tic. A.Ş.	8	1,651
Yayla Etçilik Besicilik A.Ş.	--	788
Kiler Holding A.Ş.	1	--
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	105	101
Yayla Etçilik Besicilik A.Ş.	34	--
KBC Gıda San. Tic. Ltd. Şti.	3,210	2,652
Kiler Alışveriş Hizmetleri Gıda San. Tic. Ltd. Şti.	23	--
	3,812	15,411

b) Notes payables to related parties	30.06.2010	31.12.2009
Kiler Holding A.Ş.	182	--
	182	--

c)

Other receivables from related parties	30.06.2010	31.12.2009
Kiler Holding A.Ş.	48,275	24,892
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.		20,335
Klr İnşaat Tic. Ltd. Şti.	--	5,201
Nur-Tek Elekt. Üretim A.Ş.	--	81
Gülkar Enerji Üretim ve Tic. A.Ş.	142	24
Ekol Turizm Otelcilik A.Ş.	--	22
Beyaz Çınar Yapı İnş. Emlak Yön. Hizm. Ltd. Şti.	--	1
De-ka Petrol Ürün. Paz. Day. Tük. Mal. Tur. İnş. Taah. San. Tic. Ltd. Şti.	--	76
Özbey Enerji İnş. Taah. Kuyum. Tur. San. Tic. A.Ş.	14	6
Ekol Elekt. Ür. Dağ. San. Tic. A.Ş.	31	--
Biskon Yapı A.Ş.	434	--
	48,896	50,638

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NOTE 37- RELATED PARTIES DISCLOSURES (Continued)

Other receivables from shareholders	30.06.2010	31.12.2009
Nahit Kiler	7	--
Vahit Kiler	7	--
Ümit Kiler	3,021	--
Ahmet Caner	47	--
	3,082	--

d)

Other short term payables to related parties

	30.06.2010	31.12.2009
Kiler Alışveriş Hizmetleri Gıda San. Tic. Ltd. Şti.	--	2,500
Nuve Elekt. Ür. A.Ş.	--	25
Ayone Enerji Ür. A.Ş.	--	13
İmperya/İmper Yayıncılık ve Reklamcılık A.Ş.	3	9
Kütahya Şeker Fabrikası A.Ş.	24,310	22,865
Kiler Holding A.Ş.	--	1
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	1,549	--
	25,862	25,413

Other payables to shareholders

	30.06.2010	31.12.2009
Ümit Kiler	6,553	8,156
Kadir Caner	3,683	5,270
Nahit Kiler	219	204
Vahit Kiler	129	159
Ahmet Caner	1,005	1,030
İsmail Caner	959	958
	12,548	15,777

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NOTE 37- RELATED PARTIES DISCLOSURES (Continued)

e)

Other current assets from related parties

	30.06.2010	31.12.2009
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	349	--
Kütahya Şeker Fabrikası A.Ş.	501	--
	850	--

f)

Sales to related parties	01.01- 30.06.2010	01.01- 30.06.2009
Klr İnşaat Tic. Ltd. Şti.	59	132
Biskon Yapı A.Ş.	152	158
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	9	45
Kiler Holding A.Ş.	159	--
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	134	16
Gülkar Enerji Üretim ve Dağıtım A.Ş.	--	1
Nur-Tek Elekt. Üretim A.Ş.	33	27
Bağcı Sebze Meyve Tarım Ürünleri ve Su Ürünleri Hayvancılık Soğuk Hava Depoculuğu Ticaret A.Ş.	1,605	--
Yayla Etçilik Besicilik A.Ş.	768	--
KBC Gıda San. Tic. Ltd. Şti.	203	1,147
Kiler Alışveriş Hizmetleri Gıda San. Tic. Ltd. Şti.	2,430	--
Nuve Elekt. Ür. A.Ş.	1	--
Ümit Kiler	1,151	--
Kadir Caner	1,266	--
	7,970	1,526

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NOTE 37- RELATED PARTIES DISCLOSURES (Continued)

g)

Purchases from related parties	01.01-30.06.2010	01.01-30.06.2009
Kiler Holding A.Ş.	118	591
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	2,301	2,232
Klr İnşaat Tic. Ltd. Şti.	494	117
KBC Gıda San. Tic. Ltd. Şti.	4,963	8,567
Biskon Yapı A.Ş.	1	--
Bağcı Sebze Meyve Tarım Ürünleri ve Su Ürünleri Hayvancılık Soğuk Hava Depoculuğu Ticaret A.Ş.	109	--
Kütahya Şeker Fabrikası A.Ş.	--	2,155
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	490	575
	8,476	14,237

h) Remuneration of the management

The total remuneration of the chairman, the members of Board and the top management, amounted to TL 639 for the period ended 30 June 2010 (01.01-30.06.2009: TL 564).

NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE

Financial instruments

Financial risk management policies

The Company aims to overcome the potential negative effects of fluctuations in the market by the risk management program and focuses on managing the various financial risks of foreign exchange rates and interest rates.

Interest rate risk

Interest rate risk arises because changes in interest rates may affect profitability as disclosed in the financial statements.

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

The Company's interest rate position and sensitivity analysis are shown below as of 30.06.2010 and 31.12.2009:

Interest Rate Position		30.06.2010	31.12.2009
Financial instrument with fixed interest rate:			
Financial assets	Financial assets which fair value differences are reflected in profit/loss	--	--
	Financial assets available for sale	--	--
Financial liabilities		159,555	118,878
Financial instrument with variable interest rate:			
Financial assets	Financial assets which fair value differences are reflected in profit/loss	--	--
	Financial assets available for sale	--	--
Financial liabilities		--	20,749

If the base point was 1% higher/lower as of 31 December 2009; and if all of the other variables had remained the same, the profit before tax would have been higher/lower by TL 482.

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

Credit risk

Being an owner of the financial assets conveys the risk of non-obeying the contract of the other party.

Exposure to credit risks with financial instruments are shown below:

30.06.2010

	Receivables				Bank Amounts	Derivative Instruments	Other Trade receivables
	Trade receivables		Other receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Maximum exposure to credit risk as of 30.06.2010	--	--	--	--	--	--	--
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--	--
A. Carrying amount of financial assets that are not overdue and not impaired	5,871	3,588	51,978	991	2,694	--	--
B. Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--	--
C. Carrying amount of assets that are overdue but not impaired	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
D. Carrying amount of assets that are impaired	--	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	1,391	--	1,214	--	--	--
- Impairment (-)	--	(1,391)	--	(1,214)	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
- Not overdue (gross carrying amount)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
E. Credit risk issues out of balance sheet	--	--	--	--	--	--	--
Total	5,871	3,588	51,978	991	2,694	--	--

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

31.12.2009	Receivables				Bank Amounts	Derivative Instruments	Other Trade receivables
	Trade receivables		Other receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Maximum exposure to credit risk as of 31.12.2009	--	--	--	--	--	--	--
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--	--
A. Carrying amount of financial assets that are not overdue and not impaired	5,524	3,401	50,638	858	6,475	--	--
B. Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--	--
C. Carrying amount of assets that are overdue but not impaired	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
D. Carrying amount of assets that are impaired	--	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	592	--	1,140	--	--	--
- Impairment (-)	--	(592)	--	(1,140)	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
- Not overdue (gross carrying amount)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
E. Credit risk issues out of balance sheet	--	--	--	--	--	--	--
Total	5,524	3,401	50,638	858	6,475	--	--

Liquidity risk

The breakdown of liabilities according to their contractual maturity is based on the maturity dates from the date of the balance sheet is given below:

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

30.06.2010

Contractual maturities	Book value	Total cash outflow	1-3 months maturity	3-12 months maturity	Over 1 year
Borrowings	156,618	168,720	58,380	55,889	54,451
Expected maturities	Book value	Total cash outflow	1-3 months maturity	3-12 months maturity	Over 1 year
Trade payables	161,046	162,558	151,695	9,069	1,794
Other payables	42,509	42,509	42,509	--	--

31.12.2009

Contractual maturities	Book value	Total cash outflow	1-3 months maturity	3-12 months maturity	Over 1 year
Borrowings	136,821	149,492	49,392	44,380	55,720
Expected maturities	Book value	Total cash outflow	1-3 months maturity	3-12 months maturity	Over 1 year
Trade payables	163,072	165,597	145,547	14,693	5,357
Other payables	44,336	44,336	21,470	22,866	--

Foreign currency risk

The Group's exposure to foreign currency risk arising from its foreign currency (mainly USD and EURO) assets and liabilities which are sensitive to changes in foreign currency exchange rates. The net currency position of the Group as of the balance sheet dates are shown below:

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

	30.06.2010	31.12.2009
Assets	250	123
Liabilities	(80,365)	(69,352)
Net Foreign Currency	(80,115)	(69,229)

30.06.2010

	TL Equivalent	USD	EUR	GBP
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and bank accounts)	250	107	24	15
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	250	107	24	15
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--
9. Total assets (4+8)	250	107	24	15
10. Trade payables	65	41	--	--
11. Financial liabilities	43,866	27,797	49	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	43,931	27,838	49	--
14. Trade payables	--	--	--	--
15. Financial liabilities	36,434	23,137	--	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	36,434	23,137	--	--
18. Total liabilities (13+17)	80,365	50,975	49	--
19. Off balance sheet derivative instruments/net assets (liabilities) position (19a-19b)	--	--	--	--
19a. Total asset amount of hedge	--	--	--	--
19b. Total liabilities amount of hedge	--	--	--	--
20. Net foreign currency position (9-18+19)	(80,115)	(50,868)	(25)	15
21. Monetary net foreign currency position / (UFRS 7.B23)	--	--	--	--
(=1+2a+5+6a-10-11-12a-14-15-16a)	--	--	--	--
22. Total fair value of financial instruments for hedge	--	--	--	--
23. Exports	--	--	--	--
24. Imports	--	--	--	--

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

31.12.2009

	TL Equivalent	USD	EUR	GBP
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and bank accounts)	123	39	12	16
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	123	39	12	16
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--
9. Total assets (4+8)	123	39	12	16
10. Trade payables	--	--	--	--
11. Financial liabilities	36,504	24,198	32	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	36,504	24,198	32	--
14. Trade payables	--	--	--	--
15. Financial liabilities	32,848	21,718	68	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	32,848	21,718	68	--
18. Total liabilities (13+17)	69,352	45,916	100	--
19. Off balance sheet derivative instruments/net assets (liabilities) position (19a-19b)	--	--	--	--
19a. Total asset amount of hedge	--	--	--	--
19b. Total liabilities amount of hedge	--	--	--	--
20. Net foreign currency position (9-18+19)	(69,229)	(45,877)	(88)	16
21. Monetary net foreign currency position / (IFRS 7.B23)	--	--	--	--
(=1+2a+5+6a-10-11-12a-14-15-16a)	--	--	--	--
22. Total fair value of financial instruments for hedge	--	--	--	--
23. Exports	--	--	--	--
24. Imports	--	--	--	--

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

Foreign currency sensitivity analyzing table				
30.06.2010				
Profit/(Loss)			Equity	
	Foreign currency valuation	Foreign currency depreciation	Foreign currency valuation	Foreign currency depreciation
If USD change 10% against TL				
1- USD net assets/liabilities	(8,010)	8,010	(8,010)	8,010
2- Hedging part of USD risk (-)	--	--	--	--
3-USD net effect (1+2)	(8,010)	8,010	(8,010)	8,010
If EUR change 10% against TL				
4- EUR net assets/liabilities	(5)	5	(5)	5
5- Hedging part of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	(5)	5	(5)	5
If other foreign exchange rate change 10% against TL				
4- GBP net assets/liabilities	2	(2)	2	(2)
5- Hedging part of GBP risk (-)	--	--	--	--
6- GBP net effect (7+8)	2	(2)	2	(2)
Total (3+6+9)	(8,013)	8,013	(8,013)	8,013

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

Foreign currency sensitivity analyzing table				
31.12.2009				
	Profit/(Loss)		Equity	
	Foreign currency valuation	Foreign currency depreciation	Foreign currency valuation	Foreign currency depreciation
	If USD change 10% against TL			
1- USD net assets/liabilities	(6,908)	6,908	(6,908)	6,908
2- Hedging part of USD risk (-)	--	--	--	--
3-USD net effect (1+2)	(6,908)	6,908	(6,908)	6,908
	If EUR change 10% against TL			
4- EUR net assets/liabilities	(19)	19	(19)	19
5- Hedging part of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	(19)	19	(19)	19
	If other foreign exchange rate change 10% against TL			
4- GBP net assets/liabilities	2	(2)	2	(2)
5- Hedging part of GBP risk (-)	--	--	--	--
6- GBP net effect (7+8)	2	(2)	2	(2)
Total (3+6+9)	(6,925)	6,925	(6,925)	6,925

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue its operations, and to increase profitability by keeping balance between equity and liabilities.

The Group monitors capital on the basis of the carrying amount of equity plus its total of current and non-current borrowings (net debt) less cash and cash equivalents as presented on the face of the consolidated balance sheet.

The Group sets the amounts of capital in proportion to its overall financing structure i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to the shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital to overall or financing ratio developed as follows:

	30.06.2010	31.12.2009
Total debt	156,618	136,821
Cash and cash equivalents	28,164	33,662
Net debt	184,782	170,483
Total equity	148,918	138,379
Overall financing	333,700	308,862
Net Debt/Overall financing	0.55	0.55

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information, management's judgment and appropriate valuation methodologies. To the extent relevant and reliable information is available from the financial markets in Turkey; the fair value of the financial instruments of the Group is based on such market data. The fair values of the remaining financial instruments of the Group can only be estimated. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the Group's financial instruments:

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NOTE 38- FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

Monetary assets

The foreign exchange type of the exchange rates of the reasonable value of the balances at the end of the period, is predicted as close to the recorded values.

The recorded values of the financial assets shown as cash and values similar to cash, are short term and are therefore predicted as equal to reasonable value.

The recorded values of the trade receivables, in relation to the value decrease is predicted to reflect the reasonable value.

The reasonable value of the financial assets are accepted to come close to the related recorded values.

Financial liabilities

Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations.

The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

The financial liabilities which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet.

NOTE 39- FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

The carrying value of the Company's financial instruments approximate their fair value. The Company does not have any speculative financial instruments and does not have any activity for speculative purposes with purchase and sale of financial instruments.

Financial risk management objectives

The Company's finance department function provides services to the business, coordinates access to domestic and international markets, monitors and manages the financial risks arising from the Company's operations through internal operations reports which analyses exposures by degree and magnitude of risk. These risks include market risk (including currency risk, fair value interest rate risk and price risk) credit risk, liquidity risk.

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NOTE 40- POST BALANCE SHEET EVENTS

a. Severance payment ceiling increased as of 01.07.2010 from TL 2,427.04/per year to TL 2,517.01/per year.

b. The group liquidated 1 store after 30.06.2010 and opened 2 new stores.

c. According to Extraordinary General Meeting dated 15.09.2010, the capital which is amounting TL 121.120 consisted of 121.120.000 shares with a par value TL 1 each. This capital consisted of TL 12.000 shares 12.000.000 are A group shares and TL 109.120 shares 109.120.000 are B group shares. According to the Company's Main Agreement numbered 6, A group shares are privileged shares. This privileges which are detailed in the Company's articles of association paragraph 8, 10, 13.2 consist of the determination of the Board of directors and auditors and gives right to vote as detailed below:

(i) Privilege on voting right of Board of Directors:

The Company's board of directors consists of six members and four members of the Board of Directors are selected among candidates nominated by A group shareholders in the General Assembly.

(ii) Privilege on voting right of auditors:

At least two of the three auditors are are selected among candidates nominated by A Group shareholders in the General Assembly.

(iii) Privilege on voting in the General Assembly meetings:

A Group shareholders are entitled to hundred vote for each share and B Group shareholders are entitled to one vote for each share in the company's annual and extraordinary general assembly meetings. The provision of Turkish Commercial Code article 387 is reserved.

NOTE 41- OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR PREVENT THE CLEAR UNDERSTANDING OF THE CONSOLIDATED FINANCIAL STATEMENTS

According to the share purchase agreement arranged on 20.09.2005 between Canerler group, Kiler Alışveriş, Ümit Kiler, Nahit Kiler and Vahit Kiler related to the purchase of Kiler Ankara shares (Note 1), the shareholders of Kiler Group may not sell; pledge or constitute beneficial ownership on Kiler Alışveriş's shares independently from Kiler Ankara (consolidated subsidiary of Kiler Alışveriş).