

**KİLER ALIŞVERİŞ
HİZMETLERİ GIDA SANAYİ
VE TİCARET A.Ş. CONSOLIDATED
FINANCIAL STATEMENTS AS OF AND FOR
THE YEARS ENDED
31 DECEMBER 2009, 2008 AND 2007
TOGETHER WITH AUDITOR'S REPORT**

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
INDEPENDENT AUDITOR'S REPORT
AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

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 years ended 31 December 2009, 2008 and 2007 the consolidated statements of comprehensive income, the statements of changes in equity and the cash flow statements for the years ended 31 December 2009, 2008 and 2007 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 31 December 2009, 2008 and 2007, and of its financial performance and its cash flows for the years 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, 09.08.2010

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KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

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KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED BALANCE SHEETS AS OF 31.12.2009, 31.12.2008 AND 31.12.2007
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Audited 31.12.2009	Audited 31.12.2008	Audited 31.12.2007
ASSETS				
Current Assets				
Cash and cash equivalents	6	33,662	27,197	26,957
Financial investments	7	--	931	--
Trade Receivables				
- Trade receivables from related parties	10 - 37	5,524	970	18,508
- Trade receivables from third parties	10	3,401	4,095	1,902
Receivables from finance sector operations	12	--	--	--
Other receivables				
- Other receivables from related parties	11 - 37	50,638	39,856	12,721
- Other receivables from third parties	11	858	746	2,508
Inventories	13	161,073	127,765	63,641
Live assets	14	--	--	--
Other current assets	26	19,669	26,637	20,566
(Subtotal)		274,825	228,197	146,803
Assets held for sale and discontinued operations	34	--	--	--
Long-term Assets		234,128	165,398	155,354
Trade receivables	10	--	--	--
Receivables from finance sector operations	12	--	--	--
Other receivables	11	--	--	--
Financial investments	7	54	14	32,970
Investment accounted for using the equity method	16	--	--	--
Live assets	14	--	--	--
Investment properties	17	23,240	962	962
Property, plant and equipment	18	145,681	92,640	69,825
Intangible assets	19	435	354	382
Goodwill	20	43,652	43,652	43,652
Deferred tax asset	35	9,340	14,698	7,530
Other assets	26	11,726	13,078	33
TOTAL ASSETS		508,953	393,595	302,157

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED BALANCE SHEETS AS OF 31.12.2009, 31.12.2008 AND 31.12.2007
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Audited 31.12.2009	Audited 31.12.2008	Audited 31.12.2007
LIABILITIES				
Short-term liabilities				
Financial liabilities	8	305,556	230,143	190,865
Other financial liabilities	9	90,028	50,828	41,717
Trade payables		2,806	--	--
- Trade payables to related parties	10 - 37	15,411	8,462	9,424
- Trade payables to third parties	10	142,304	132,619	113,559
Other payables				
- Other payables to related parties	11 - 37	41,190	28,114	18,144
- Other payables to third parties	11	3,146	1,677	3,698
Payables from finance sector operations	12	--	--	--
Government grants	21	--	--	--
Taxation on income	35	919	108	582
Provisions for payables	22	5,435	4,473	1,611
Other current liabilities	26	4,317	3,862	2,130
(Subtotal)		305,556	230,143	190,865
Liabilities directly associated with the assets classified as held for sale	34			
Long-term liabilities				
Financial liabilities	8	65,018	77,901	38,637
Other financial liabilities	9	46,793	37,976	30,117
Trade payables	10	--	2,821	--
Other payables	11	5,357	7,176	--
Payables from finance sector operations	12	--	20,000	--
Government grants	21	--	--	--
Provisions for payables	22	--	--	--
Provision for employee termination benefits	24	2,568	2,710	1,951
Deferred tax liabilities	35	10,300	7,218	6,569
Other liabilities	26	--	--	--
EQUITY				
Company shareholders' equity				
Share capital	27	138,379	85,551	72,655
Investment and share capital eliminating adjustments (-)		125,591	84,328	68,994
Positive distinction from share capital adjustment		101,200	96,830	50,000
Premium in access of par		--	--	5,438
Revaluation fund		28,931	--	2,013
Foreign currency translation differences		--	--	--
Legal reserves		12,039	12,000	1,947
General Reserves		(24,541)	841	8,762
Net profit/loss for the year		7,962	(25,343)	834
Minority interest				
		12,788	1,223	3,661
TOTAL LIABILITIES		508,953	393,595	302,157

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR YEARS ENDED 31.12.2009, 31.12.2008 AND 31.12.2007

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

	Notes	Audited 01.01.2009- 31.12.2009	Audited 01.01.2008- 31.12.2008	Audited 01.01.2007- 31.12.2007
CONTINUING OPERATIONS				
Sales	28	770,076	689,026	648,718
Cost of sales (-)	28	(567,820)	(538,152)	(540,364)
GROSS PROFIT / (LOSS)		202,256	150,874	108,354
Marketing, selling and distribution expenses (-)	29	(129,547)	(119,935)	(94,846)
General administrative expenses (-)	29	(25,171)	(27,935)	(16,144)
Research and development expenses (-)		--	--	--
Income from other operations	31	2,532	3,429	762
Expense from other operations (-)	31	(7,285)	(4,842)	(5,376)
OPERATING INCOME / (LOSS)		42,785	1,591	(7,250)
Equity income / (loss) from investments in associates		--	--	--
Financial income	32	13,112	13,959	12,158
Financial expenses (-)	33	(38,740)	(50,846)	(12,842)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		17,157	(35,296)	(7,934)
Tax income / (expense) from continuing operations		(7,647)	6,969	(236)
- Taxation on income	35	(1,371)	(130)	(1,076)
- Deferred tax income / (expense)	35	(6,276)	7,099	840
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		9,510	(28,327)	(8,170)
DISCONTINUED OPERATIONS				
Profit / loss from discontinued operations (net of income tax)		--	--	--
PROFIT FOR THE PERIOD		9,510	(28,327)	(8,170)
Other comprehensive income:				
Changes in fair value on available for sale securities		--	--	--
Changes in fair value of land and buildings		10,819	--	--
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		(2,164)	--	--
OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF TAX)		8,655	--	--
TOTAL COMPREHENSIVE INCOME / (LOSS)		18,165	(28,327)	(8,170)
Distribution of Profit / (Loss)				
Minority interests		1,548	(2,984)	(9,004)
Equity holders of the Company		7,962	(25,343)	834
Distribution of Comprehensive Income / (Loss)				
Minority interests		1,548	(2,984)	(9,004)
Equity holders of the Company		16,617	(25,343)	834
Earnings Per Share	36	0.0008	(0.0029)	0.0002
Earnings Per Share From Continuing Operations	36	0.0008	(0.0029)	0.0002

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR YEARS ENDED 31.12.2009, 31.12.2008 AND 31.12.2007

(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 01.01.2007	48,625	5,339	--	1,875	10,013	--	13,502	79,354
Capital increases	1,375	--	--	--	--	--	--	1,375
Increase in value of investment	--	--	96	--	--	--	--	96
The effect of merger with Kiler Trakya Mağazacılık Sanayi ve Ticaret A.Ş. (Note 1)	--	99	1,917	72	(1,251)	--	(837)	--
Net loss for the period	--	--	--	--	--	834	(9,004)	(8,170)
Balance at 31.12.2007	50,000	5,438	2,013	1,947	8,762	834	3,661	72,655
Transfer to reserves	--	--	--	--	834	(834)	--	--
Capital increase in cash (Note 27.1)	8,657	--	--	--	--	--	546	9,203
Capital increases	38,173	(5,438)	(2,013)	(72)	(30,650)	--	--	--
Merger with Atlas Alışveriş Hizmetleri ve Gıda Sanayi Ticaret A.Ş. (Note 3 and 27.1)	--	--	--	--	32,020	--	--	32,020
Transfer to legal reserves	--	--	--	10,125	(10,125)	--	--	--
Net loss for the period	--	--	--	--	--	(25,343)	(2,984)	(28,327)
Balance at 31.12.2008	96,830	--	--	12,000	841	(25,343)	1,223	85,551
Transfer to reserves	--	--	--	--	(25,343)	25,343	--	--
Capital increase in cash	3,370	--	--	--	--	--	4,770	8,140
Equity injections from shareholders	--	--	21,276	--	--	--	5,247	26,523
Share capital increase from equity injections from shareholders (Note 27)	1,000	--	(1,000)	--	--	--	--	--
Increase in fair value of land and buildings (Note 18)	--	--	8,655	--	--	--	--	8,655
Transfer to legal reserves	--	--	--	39	(39)	--	--	--
Net profit for the period	--	--	--	--	--	7,962	1,548	9,510
Balance at 31.12.2009	101,200	--	28,931	12,039	(24,541)	7,962	12,788	138,379

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED CASH FLOW STATEMENTS FOR PERIODS ENDED 31.12.2009, 31.12.2008 AND 31.12.2007
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

CASH FLOWS DUE FROM OPERATING ACTIVITIES	Notes	Audited 01.01.-31.12.2009	Audited 01.01.-31.12.2008	Audited 01.01.-31.12.2007
Profit / (loss) before tax		17,155	(35,295)	(7,934)
Adjustments to reconcile net income to net cash provided by operating activities				
		41,851	44,066	3,725
Depreciation and amortization		13,574	11,739	8,602
Provision for employee termination benefit	24	668	1,415	1,023
Profit sale of fixed assets	31	(70)	(655)	(15)
Loss on sale of fixed assets	31	39	256	455
Provision for doubtful receivables	10-11-26	2,783	2,201	--
Interest income	32	(12)	(1,131)	(2,908)
Interest cost	33	22,154	9,306	5,129
Foreign exchange gains	32	(12,064)	(11,550)	(8,381)
Foreign exchange losses	33	12,940	33,936	1,101
Unearned interest on trade receivables		179	(480)	609
Unearned interest on trade payables		336	(971)	(1,890)
Fair value of investment properties		197	--	--
Impairment on land and buildings	32	1,127	--	--
Operating income before changes in assets and liabilities related with operating activities		59,006	8,771	(4,209)
Changes in trade receivables		(4,528)	15,789	1,985
Changes in inventories		(33,308)	(59,793)	14,975
Changes in other receivables		(1,046)	1,556	(1,429)
Changes in other current assets		5,608	(7,528)	(19,799)
Changes in other non-current assets		1,352	(13,045)	1,140
Changes in trade payables		14,479	2,469	36,590
Changes in other payables		1,469	(1,683)	(7,515)
Changes in provision for payables		962	2,862	1,611
Changes in other current liabilities		455	(1,398)	(1,850)
Taxes paid		(560)	(604)	(708)
Employee termination benefit paid	24	(810)	(817)	(256)
Net cash provided by operating activities		43,079	(53,421)	20,535
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	18	(56,971)	(35,794)	(36,020)
Purchase of intangible assets	19	(234)	(85)	(75)
Purchase of investment properties	17	(22,475)	--	--
Sale of property, plant and equipment	18	233	7,820	26,863
Changes in financial investments		891	85,655	(29,645)
Net cash provided from / (used in) investing activities		(78,556)	57,596	(38,877)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of financial liabilities		(46,223)	(40,344)	(28,429)
Loans obtained		91,745	53,670	19,457
Interest expense		(19,486)	(6,639)	(2,461)
Foreign exchange gains		11,877	11,550	3,706
Foreign exchange losses		(12,940)	(36,589)	(1,101)
Interest income		12	1,131	2,908
Other receivables from related parties		(10,782)	(27,135)	16,283
Other payables to related parties		(6,924)	29,970	2,772
Share capital increases		8,140	9,203	1,375
Net cash acquired through acquisition	3	--	1,248	--
Equity injections from shareholders	27	26,523	--	--
Net cash provided from / (used in) financial activities		41,942	(3,935)	14,510
Changes in cash and cash equivalents		6,465	240	(3,832)
Cash and cash equivalents at the beginning of the year		27,197	26,957	30,789
Cash and cash equivalents at the end of the year		33,662	27,197	26,957

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 YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

(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 97 stores as of 31.12.2009 (31.12.2008: 94, 31.12.2007: 72). Kiler has 2,788 employees as of 31.12.2009 (31.12.2008: 3,436, 31.12.2007: 2,100).

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 subsidiaries</u>	<u>Economic interest rate (%)</u>			<u>Ownership interest rate (%) (***)</u>		
	<u>31.12.2009</u>	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2009</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Kiler Ankara Mağazacılık San. ve Tic. A.Ş.	47	47	47	54	54	54
Söğüt Et Ürünleri ve Gıda San. Tic. A.Ş (*)	--	--	47	--	--	54
Varol Lojistik Dağıtım Nakliye Turizm İnşaat Gıda San. ve Tic A.Ş. (*)	--	--	47	--	--	54
Davay Unlu Mamüller ve Gıda San. Tic. A.Ş. (**)	--	47	47	--	54	54

(*) In the extraordinary general meeting of shareholders of Söğüt Et Ürünleri ve Gıda San. Tic. A.Ş. and Varol Lojistik Dağıtım Nakliye Turizm İnşaat Gıda San. ve Tic A.Ş. dated 13.06.2008 and the extraordinary general meeting of Kiler Ankara Mağazacılık San. ve Tic. A.Ş. dated 16.07.2008 it was decided that Söğüt Et Ürünleri ve Gıda San. Tic. A.Ş. and Varol Lojistik Dağıtım Nakliye Turizm İnşaat Gıda San. ve Tic A.Ş. shall merge with Kiler Ankara Mağazacılık San. ve Tic. A.Ş. The decision was recorded on 18.07.2008 and was issued in the Turkish commercial Register Newspaper dated 23.07.2008 numbered 7111.

(**) 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 20.10.2009 numbered 7428.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

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

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

(***) All of the above stated Companies belonged 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.

Other than above, Kiler Alışveriş acquired 90% of the shares of Kiler Trakya Mağazacılık Sanayi ve Ticaret A.Ş. in 2006. On 29.12.2007 Kiler Alışveriş merged with Kiler Trakya where Kiler Trakya is consolidated from 2007 opening balance sheet.

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 31 December 2009 there were 65 stores in Ankara (under the banner of Kiler) (31 December 2008: 67, 31 December 2007: 66). As of 31 December 2009 the number of personnel employed was 1,716 (31 December 2008: 1,966, 31 December 2007: 2,109).

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

Söğüt Et Ürünleri ve Gıda San. Tic. A.Ş

Söğüt Et Ürünleri ve Gıda San. Tic. A.Ş. (Söğüt), which was merged with Kiler Ankara in 2008, was established in Ankara in 2003. The main activity of Söğüt is the processing, packaging and selling of meat and meat products.

Varol Lojistik Dağ. Nakl. Turz. İnş. Gıda San. A.Ş.

Varol Lojistik Dağ. Nakl. Turz. İnş. Gıda San. A.Ş. (Varol) which was merged with Kiler Ankara in 2008, was established in Ankara in 2004. The main activity of Varol is logistics and transportation services.

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 2009, was established in Ankara in 2004. The main activity of Davay is the processing, packaging and selling of bakery products.

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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.

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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.

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

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.

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.

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

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.

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.

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

(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.

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.

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

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.

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.

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

2.10. Changes in International Financial Reporting Standards (IFRS)

These new and revised standards and interpretations are effective on and after 01.01.2009

IFRS 1 and IAS 27: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements:

- IAS 1: Amendments to Presentation of Financial Statements
- IAS 19 (Revised), “Employee Benefits”
- IAS 23 (Amendment), Borrowing Costs
- IAS 28 (change), “Investments in subsidiaries” (and as a result of this IAS 32 “Financial Instruments: description and presentation” and IFRS 7 “Financial Instruments-Footnotes” changes that take place)
- IAS 32 (Revised), “Financial Instruments: Presentation”
- IAS 36 (Revised), “Impairment of Assets”
- IFRS 2 (Amendment), “Share-Based Payments”
- IFRS 8 (Revised), “Operating Segments”
- IFRIC 15 Agreements for Construction Property
- IFRIC 16 “The protection of the international operation from financial risks in net investments”

Changes effective after 01 January 2010

- IAS 27 (Revised), “Consolidated and Non-Consolidated Financial Statements”
- IAS 31 (Amendment), the “Partnership Shares”
- IFRS 3 (Revised), “Business Combinations”
- IFRS 5 (Amendment), “Assets held for Sale and Discontinued Operations”
- IFRIC 17 “Non-cash Assets to be Distributed to Shareholders”
- IFRIC 18 “Assets transferred from customers”

Changes effective on and after 01 January 2011

These standards have not been adopted early by the Group.

- IAS 24 (Revised), “Related Party Disclosures”
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”
- IFRIC 14 “The Limit on A Defined Benefit Assets Minimum Funding Requirements and their Interaction”
- IFRIC 9 “Re-assessment of Embedded Derivatives”
- IAS 32 (Revised), “Financial Instrument Presentation”
- IFRS 9 (Revised), “Financial Instruments”

These changes effective on and after 01 January 2010 are not earlier adopted by the Group.

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NOTE 3- BUSINESS COMBINATIONS

In the extraordinary general meeting of shareholders dated 13.03.2008 held by Kiler Alışveriş, it was decided to merge with Atlas Alışveriş Hizmetleri ve Gıda Sanayi Ticaret A.Ş. (Atlas), the decision was registered on 14.03.2008 and was issued in the Turkish Trade Register Newspaper dated 20.03.2008 numbered 7024.

Cash and cash equivalents	1,248
Trade receivables	27
Inventories	4,331
Other assets	474
Tangible fixed assets	5,770
Intangible fixed assets	477
Financial investments	53,631
Deferred tax assets	36
Financial liabilities	(6,451)
Trade payables	(23,776)
Deferred tax liabilities	(616)
Other liabilities	(3,131)
Net assets acquired	32,020

Until the merger date, the sales of Atlas were TL 10,067 and the net income for the period was TL 221 in 2008.

At the date of the merger the total amount of financial investments that Atlas had was TL 53,631. It consisted of TL 33,866 of Kütahya Şeker Fabrikaları A.Ş. shares and TL 19,765 of Kiler Gayrimenkul Ortaklığı A.Ş. shares. These financial investments in which Atlas' shareholding percentages were 25% and 33%; respectively; are valued by their costs in the merger balance sheet. These financial investments were transferred to Kiler Holding A.Ş. by spin-off as a result of the decision reached in the extraordinary general meeting of shareholders dated 26.12.2008 (Note 41).

NOTE 4- JOINT VENTURES

None (31.12.2008: None, 31.12.2007: 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

	31.12.2009	31.12.2008	31.12.2007
Cash	4,473	1,588	2,205
Banks			
- Demand Deposit – TL	6,352	1,890	3,142
- Demand Deposit – USD	59	61	266
- Demand Deposit – EURO	27	27	6
- Demand Deposit – GBP	37	34	33
Credit Card Receivables	22,714	23,597	21,305
	33,662	27,197	26,957

NOTE 7– FINANCIAL INVESTMENTS

Short Term:

	31.12.2009	31.12.2008	31.12.2007
Financial Assets for purchase and sale:			
Türk Telekom A.Ş. equity shares (*)	--	1,149	--
Provision of diminution in value of equity shares	--	(218)	--
	--	931	--

(*) It consists of 262.929 shares.

Long Term:

	31.12.2009		31.12.2008		31.12.2007	
	Percentage %	TL	Percentage %	TL	Percentage %	TL
Kbc Gıda San. Tic. Ltd. Şti.	10.85	54	10.85	14	47	14
Ekol Turizm ve Otelcilik A.Ş. (1)	--	--	--	--	65	3,250
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. (2)	--	--	--	--	15	29,631
Nur-Tek Elektrik Santralleri						
Tesis İşletme ve Tic. A.Ş. (3)	--	--	--	--	1	15
Gülkar Enerji Üretim ve Tic. A.Ş. (4)	--	--	--	--	1	60
		54		14		32,970

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NOTE 7– FINANCIAL INVESTMENTS (Continued)

The financial investment activities taken above do not constitute significant amounts on the Company's financial statements. These financial investments are carried at lower of cost or net realizable value.

1. Ekol Turizm ve Otelcilik A.Ş. shares were sold to Kiler Holding A.Ş. in 2008 for TL 3,250.
2. As a result of partial spin-off it was transferred to Kiler Holding A.Ş. (Note 41).
3. Nur Tek Elektrik Santralleri Tesis İşletme ve Tic. A.Ş. shares were sold to Kiler Holding A.Ş. for TL 87 in 2008.
4. Gülkar Enerji Üretim ve Tic. A.Ş. shares were sold in 2008 to Kiler Holding A.Ş. for TL 160.

NOTE 8– FINANCIAL LIABILITIES

	31.12.2009	31.12.2008	31.12.2007
Short Term			
Bank Loans			
- TL	53,531	9,035	4,563
- USD	36,434	41,249	16,230
- EURO	--	--	20,130
Leasing payables	63	544	794
	90,028	50,828	41,717
Long Term			
Bank Loans			
- TL	13,966	--	57
- USD	32,699	37,781	5,309
- EURO	--	--	24,542
Leasing payables	128	195	209
	46,793	37,976	30,117

The maturity of financial liabilities are listed below:

	31.12.2009	31.12.2008	31.12.2007
0 – 3 month	48,625	22,231	12,975
3- 12 month	41,403	28,597	28,742
1–2 years	39,161	25,266	16,446
2–3 years	7,632	12,710	13,671
	136,821	88,804	71,834

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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 8– FINANCIAL LIABILITIES (Continued)

As of 31 December 2008, the detail of financial liabilities are listed below (Leasing payables are excluded):

	Currency	Maturity	Nominal Balance	Book Value
Loan under guarantee (7)	USD	09.07.2010	8,491	8,518
Loan under guarantee (2)	USD	01.10.2009	2,016	2,031
Loan under guarantee (2)	USD	19.04.2009	454	455
Loan under guarantee (1)	TL	21.05.2009	1,000	1,034
Loan under guarantee (3)	USD	21.06.2010	1,932	1,936
Loan under guarantee (1)	USD	05.06.2009	1,090	1,095
Loan under guarantee (1)	USD	20.02.2009	794	814
Loan under guarantee (4)	TL	23.04.2009	2,000	2,115
Loan under guarantee (1)	USD	08.07.2010	6,076	6,086
Loan under guarantee (5)	USD	01.08.2011	37,808	39,080
Loan under guarantee (1)	USD	23.09.2010	9,337	9,350
Loan under guarantee (5)	TL	11.02.2009	3,000	3,113
Loan under guarantee (7)	USD	02.08.2010	2,420	2,434
Loan under guarantee (1)	TL	14.01.2009	1,500	1,579
Loan under guarantee (6)	TL	03.04.2009	5	5
Loan under guarantee (6)	TL	03.04.2009	5	5
Loan under guarantee (6)	TL	03.04.2009	5	5
Loan under guarantee (6)	TL	03.04.2009	5	5
Loan under guarantee (6)	TL	03.04.2009	5	5
Loan under guarantee (6)	TL	03.04.2009	5	5
Loan under guarantee (6)	TL	09.03.2009	17	17
Loan under guarantee (6)	TL	16.04.2009	13	15
Loan under guarantee (1)	USD	20.01.2009	333	334
Loan under guarantee (1)	USD	20.01.2009	75	75
Loan under guarantee (1)	USD	16.07.2012	4,826	4,865
Loan under guarantee (1)	USD	19.11.2009	1,957	1,957
Unguaranteed loan	TL	02.01.2009	455	455
Unguaranteed loan	TL	02.01.2009	677	677
			86,301	88,065

(1) Obtained with Kiler Holding A.Ş.'s guarantee.

(2) Obtained with a mortgage on shareholder's Kartal and Şirinevler stores.

(3) The promise of sale contract of Kiler Alışveriş's Başakşehir store has been pledged (Note 18).

(4) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee and a mortgage of Klr İnş. Tic. Ltd. Şti.'s Esenkent store.

(5) Kiler Holding A.Ş., the shareholders of Kiler Alışveriş, pledged 10% of Kiler Alışveriş shares on behalf of the lender. (Note 27)

(6) Obtained with a mortgage on vehicles.

(7) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee.

As of 31.12.2008 average effective rates are 31.52% for financial liabilities in TL and 6.95% for financial liabilities in USD.

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NOTE 8 – FINANCIAL LIABILITIES (Continued)

As of 31 December 2007, the detail of financial liabilities are listed below (Leasing payables are excluded):

	Currency	Maturity	Nominal Balance	Book Value
Loan under guarantee (1)	EURO	30.09.2008	4,233	4,233
Loan under guarantee (2)	TL	22.07.2008	3,881	3,897
Loan under guarantee (3)	USD	01.10.2009	3,416	3,439
Loan under guarantee (3)	USD	19.04.2009	1,398	1,401
Loan under guarantee (4)	EURO	30.12.2011	23,048	23,059
Loan under guarantee (4)	EURO	22.08.2011	13,814	13,843
Loan under guarantee (5)	USD	07.02.2008	815	865
Loan under guarantee (6)	TL	01.06.2008	16	16
Loan under guarantee (6)	TL	01.06.2008	20	21
Loan under guarantee (6)	TL	28.06.2008	10	10
Loan under guarantee (6)	TL	28.06.2008	21	21
Loan under guarantee (6)	TL	10.06.2008	8	8
Loan under guarantee (5)	USD	24.03.2008	408	416
Loan under guarantee (7)	USD	02.08.2010	2,329	2,392
Loan under guarantee (5)	USD	02.08.2008	1,165	1,199
Loan under guarantee (3)	USD	18.08.2008	1,747	1,798
Loan under guarantee (1)	EURO	05.12.2008	3,520	3,537
Loan under guarantee (5)	USD	27.12.2008	3,494	3,497
Loan under guarantee (6)	TL	05.11.2008	11	11
Loan under guarantee (6)	TL	05.11.2008	11	11
Loan under guarantee (6)	TL	05.11.2008	11	11
Loan under guarantee (6)	TL	05.11.2008	11	11
Loan under guarantee (6)	TL	05.11.2008	11	11
Loan under guarantee (6)	TL	05.11.2008	11	11
Loan under guarantee (6)	TL	05.11.2008	11	11
Loan under guarantee (6)	TL	05.11.2008	11	11
Loan under guarantee (6)	TL	05.11.2008	15	15
Loan under guarantee (6)	TL	05.11.2008	15	15
Loan under guarantee (6)	TL	05.11.2008	15	15
Loan under guarantee (6)	TL	05.11.2008	15	15
Loan under guarantee (6)	TL	05.11.2008	15	15
Loan under guarantee (6)	TL	05.11.2008	15	15
Loan under guarantee (6)	TL	03.04.2009	120	120
Loan under guarantee (6)	TL	19.12.2008	23	23
Loan under guarantee (6)	TL	19.12.2008	23	23
Loan under guarantee (6)	TL	19.12.2008	23	23
Loan under guarantee (6)	TL	09.03.2009	62	62
Loan under guarantee (6)	TL	16.04.2009	46	46
Loan under guarantee (6)	TL	20.08.2008	68	68
Loan under guarantee (6)	TL	26.08.2008	46	46
Loan under guarantee (5)	USD	20.01.2009	2,854	2,956
Loan under guarantee (5)	USD	20.01.2009	641	663
Loan under guarantee (5)	USD	19.11.2009	2,912	2,912
Loan under guarantee (6)	TL	05.11.2008	44	44
			70,398	70,831

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NOTE 8 – FINANCIAL LIABILITIES (Continued)

- (1) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee and a mortgage of Klr İnş. Tic. Ltd. Şti.'s Esenkent store.
- (2) The share purchase agreement of Atlas Alışveriş's Başakşehir store has been pledged.
- (3) Obtained with a mortgage on shareholder's Kartal and Şirinevler stores.
- (4) Obtained with a mortgage on Güngören and Ateştuğla stores. Additionally, 50% of the shares of the subsidiary of Kiler Ankara has been pledged.
- (5) Obtained with Kiler Holding A.Ş.'s guarantee.
- (6) Obtained with a mortgage on vehicles.
- (7) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee.

As of 31.12.2007 average effective rates are 15.9% for financial liabilities in TL, 7.65% for financial liabilities in USD and 7.05% for financial liabilities in EURO.

NOTE 9– OTHER FINANCIAL LIABILITIES

Short Term	31.12.2009	31.12.2008	31.12.2007
Other financial liabilities (*)	2,806	--	--
	2,806	--	--
Long Term	31.12.2009	31.12.2008	31.12.2007
Other financial liabilities (*)	--	2,821	--
	--	2,821	--

(*) 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 and as a result of the protocol that took place after the balance sheet date this has been classified as a long term financial liability in the comparative financial statements as of 31.12.2008.

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NOTE 10- TRADE RECEIVABLES AND PAYABLES

	31.12.2009	31.12.2008	31.12.2007
Accounts Receivables			
- Third Parties	3,628	4,084	2,225
- Related Parties (Note 37)	524	970	18,508
Notes Receivables			
- Third Parties	673	243	325
- Related Parties (Note 37)	5,000	--	--
	9,825	5,297	21,058
Deferred financing expense (-)	(308)	(129)	(609)
Provision for doubtful receivables(-)	(592)	(103)	(39)
	8,925	5,065	20,410

The movement of provision for doubtful receivables are listed below:

	31.12.2009	31.12.2008	31.12.2007
As of January 1 balance	103	39	39
Provision balance	489	103	--
Impossible collection extracted from financial statements	--	(39)	--
	--	--	--
Closing balance	592	103	39

Trade receivables from third parties maturity is listed below:

	31.12.2009	31.12.2008	31.12.2007
Overdue received	592	103	39
Between 1-3 months	3,510	4,128	2,511
Between 3-6 months	159	23	--
Between 6-12 months	40	73	--
	4,301	4,327	2,550

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NOTE 10- TRADE RECEIVABLES AND PAYABLES (Continued)

Trade receivables from related parties maturity is listed below:

	31.12.2009	31.12.2008	31.12.2007
Between 1-3 months	524	970	18,508
Between 3-6 months	--	--	--
Between 6-12 months	5,000	--	--
	5,524	970	18,508

The Group's sales are generally retail sales in cash. The average collection period for the Company's trade receivables from related parties is 90 days (2008: 45, 2007:45) and for other trade receivables is 50 days (2008: 45, 2007 45).

A provision of TL 592 (2008-TL 103, 2007-TL 39) has been set aside for the above mentioned overdue receivables which are without sufficient security.

Trade payables short-term	31.12.2009	31.12.2008	31.12.2007
Trade Creditors			
- Third Parties	126,479	113,997	36,591
- Related Parties (Note 37)	15,411	8,462	9,424
Notes Payable			
- Third Parties	18,011	21,195	78,607
Other Trade Payables	339	288	251
	160,240	143,942	124,873
Deferred Financing Income (-)	(2,525)	(2,861)	(1,890)
	157,715	141,081	122,983

Trade payables long-term	31.12.2009	31.12.2008	31.12.2007
Notes Payable			
- Third Parties	5,357	7,176	--
	5,357	7,176	--

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NOTE 10- TRADE RECEIVABLES AND PAYABLES (Continued)

Trade Payables to third parties maturity listed below:

	31.12.2009	31.12.2008	31.12.2007
Overdue payables	7,069	52	412
Between 1-3 months	126,596	125,755	108,355
Between 3-6 months	9,370	9,673	6,682
Between 6-12 months	1,794	--	--
More than one year	5,357	7,176	--
	150,186	142,656	115,449

Trade Payables to related parties maturity listed below:

	31.12.2009	31.12.2008	31.12.2007
Between 1-3 months	11,882	4,226	8,776
Between 3-6 months	3,529	4,236	648
	15,411	8,462	9,424

The average payment period for the Company's trade payables to related parties is 70 days (2008: 55, 2007:45) and for other trade payables is 52 days (2008: 45, 2007:45).

NOTE 11- OTHER RECEIVABLES AND PAYABLES

Short term receivables:	31.12.2009	31.12.2008	31.12.2007
Sundry debtors			
- Third parties	1,998	952	2,508
- Related parties (Note 37)	50,638	36,241	6,676
- Shareholders (Note 37)	--	3,615	6,045
	52,636	40,808	15,229
Provision from doubtful receivables (-)	(1,140)	(206)	--
	51,496	40,602	15,229

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NOTE 11– OTHER RECEIVABLES AND PAYABLES (Continued)

Provision for other doubtful receivables is listed below:

	01.01.- 31.12.2009	01.01.- 31.12.2008	01.01.- 31.12.2007
As of January 1 Balance	206	--	--
Provisions in year	934	206	--
Closing balance	1,140	206	--

Short term payables:

	31.12.2009	31.12.2008	31.12.2007
Due to personnel	2,921	1,568	1,873
Order advances received	152	50	814
Other sundry payables			
- Third parties	73	59	1,011
- Related parties (Note 37)	25,413	208	--
- Shareholders (Note 37)	15,777	27,906	18,144
	44,336	29,791	21,842

Long term payables:

	31.12.2009	31.12.2008	31.12.2007
Other sundry payables			
- Related parties (Note 37)	--	20,000	--
	--	20,000	--

NOTE 12– RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None (31.12.2008: None, 31.12.2007: None).

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NOTE 13- INVENTORIES

	31.12.2009	31.12.2008	31.12.2007
Raw materials	1,068	1,588	1,439
Merchandises (**)	159,911	126,046	61,757
Other inventories (*)	884	131	445
Provision for diminution in value (-)	(790)	--	--
	161,073	127,765	63,641

(*) TL 94 of other inventories (31.12.2008 – TL 131; 31.12.2007 – TL 445) consists of expenditure items such as fuel, TL 790 consists of inventory that is damaged. An impairment amounting to TL 790 has been set aside for these inventories in the accompanying financial statements.

(**) 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 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 and TL 20,226 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 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:

Customer	Kiler Alışveriş	Kiler Ankara	Total Sales Amount (TL)
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

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NOTE 13- INVENTORIES (Continued)

The sales plan of the above mentioned merchandises is detailed below:

Date of sale	Amount
March 2010	1,225
April 2010	1,236
May 2010	1,296
June 2010	3,462
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
	32,149

The record of impairment in inventories is detailed below:

	31.12.2009	31.12.2008	31.12.2007
Opening balance	--	--	--
Provisions in year	790	--	--
	790	--	--

Insurance guarantee on inventories amounts to TL 89,547 (2008: TL 83,315, 2007: TL 57,423).

NOTE 14- LIVE ASSETS

None (31.12.2008: None, 31.12.2007: None).

NOTE 15- RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None (31.12.2008: None, 31.12.2007: None).

NOTE 16- INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

None (31.12.2008: None, 31.12.2007: None).

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NOTE 17- INVESTMENT PROPERTY

	01.01.2007	31.12.2007	31.12.2008	Additions	Fair value	31.12.2009
Cost value						
Land	962	962	962	105	101	1,168
Building	--	--	--	22,370	(298)	22,072
Net book value	962	962	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)
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)

(*) 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. The net book value of this asset as of 31.12.2009 was TL 1,067 and the fair value was TL 1,168. The difference between the cost and the fair value is reflected in other income in the income statement.

() Esenyurt building**

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 was valued at fair value on this date. The net book value of this real asset as at 31.12.2009 was TL 22,370 and the current market value was TL 22,072. 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
				<u>23,240</u>

Mortgages on the Group's investment properties are as follows:

Bank	Sort	Foreign Currency Type	31.12.2009	31.12.2009	31.12.2008	31.12.2008	31.12.2007	31.12.2007
			Foreign Currency Balance	TL Balance	Foreign Currency Balance	TL Balance	Foreign Currency Balance	TL Balance
Halkbank	Real Estate	USD	22,500	33,878	--	--	--	--

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NOTE 18- PROPERTY, PLANT AND EQUIPMENT

	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

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NOTE 18- PROPERTY, PLANT AND EQUIPMENT (Continued)

	31.12.2007	Additions	Disposals	Merger effect	Transfer	31.12.2008
<u>Cost value</u>						
Land	--	--	--	--	--	--
Buildings	6,194	--	(6,094)	3,608	--	3,708
Machinery and equipment	2,991	371	--	103	--	3,465
Vehicles	12,007	1,454	(360)	964	--	14,065
Furniture and fixtures	61,839	24,133	(916)	3,319	--	88,375
Leasehold improvements	28,758	6,988	(583)	554	1,241	36,958
Machinery and equipment under financial leasing	979	283	--	--	--	1,262
Vehicles under financial leasing	500	--	--	--	--	500
Furniture and fixtures under financial leasing	537	1,342	--	--	--	1,879
Construction in progress	18	1,223	--	--	(1,241)	--
Advances given	--	--	--	--	--	--
	113,823	35,794	(7,953)	8,548	--	150,212
<u>Accumulated Depreciation</u>						
Buildings	131	153	(197)	319	--	406
Machinery and equipment	763	274	--	16	--	1,053
Vehicles	4,046	1,210	(181)	211	--	5,286
Furniture and fixtures	30,625	7,504	(145)	1,679	--	39,663
Leasehold improvements	8,222	2,216	(9)	257	--	10,686
Machinery and equipment under financial leasing	90	103	--	--	--	193
Vehicles under financial leasing	85	49	--	--	--	134
Furniture and fixtures under financial leasing	36	115	--	--	--	151
	43,998	11,624	(532)	2,482	--	57,572
Net book value	69,825	24,170	(7,421)	6,066	--	92,640

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NOTE 18- PROPERTY, PLANT AND EQUIPMENT (Continued)

	01.01.2007	Additions	Disposals	Transfer	31.12.2007
<u>Cost value</u>					
Land	5,557	--	(5,557)	--	--
Buildings	1,927	2,553	--	1,714	6,194
Machinery and equipment	2,943	48	--	--	2,991
Vehicles	10,533	1,693	(219)	--	12,007
Furniture and fixtures	46,501	15,338	--	--	61,839
Leasehold improvements	22,985	5,773	--	--	28,758
Machinery and equipment under financial leasing	502	477	--	--	979
Vehicles under financial leasing	500	--	--	--	500
Furniture and fixtures under financial leasing	537	--	--	--	537
Construction in progress	11,488	10,138	(21,608)	--	18
Advances given	1,714	--	--	(1,714)	--
	105,187	36,020	(27,384)	--	113,823
<u>Accumulated Depreciation</u>					
Buildings	43	88	--	--	131
Machinery and equipment	494	269	--	--	763
Vehicles	3,330	797	(81)	--	4,046
Furniture and fixtures	25,265	5,360	--	--	30,625
Leasehold improvements	6,330	1,892	--	--	8,222
Machinery and equipment under financial leasing	56	34	--	--	90
Vehicles under financial leasing	54	31	--	--	85
Furniture and fixtures under financial leasing	25	11	--	--	36
	35,597	8,482	(81)	--	43,998
Net book value	69,590	27,538	(27,303)	--	69,825

Insurance on property, plant and equipment amounts to TL 282,012. (2008 - TL 178,077, 2007 - TL 155,580).

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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 KİPTAŞ ((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 KİPTAŞ 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. On 31.12.2009 the Group has chosen to account its land and building under the fair value method. The difference between the net book value of this land and building amount of TL 3,137 and the fair value amount of TL 13,605 has been shown under the shareholders' equity as revaluation fund.

(**) The Kartal land and building is in the province of Istanbul, Kartal, Yukarı Mahalle, block 568, parcel 21, 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 difference between the net book value of this land and building amount of TL 15,120 and the fair value amount of TL 15,450 has been shown under the shareholders' equity as revaluation fund.

(***) 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. The difference between the net book value of Esenyurt building amount of TL 8,004 and the fair value amount of TL 6,937 has been reflected in the income statement as other expense.

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NOTE 18- PROPERTY, PLANT AND EQUIPMENT (Continued)

(****) 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 difference between the net book value of this land and building amount of TL 92 and the fair value amount of TL 113 has been shown under the shareholders' equity as revaluation fund.

(*****) 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. The difference between the net book value of Başakşehir residence amount of TL 369 and the fair value amount of TL 350 has been reflected in the accompanying comprehensive income statement as other expense.

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

Bank	Sort	Currency type	31.12.2009	31.12.2009	31.12.2008	31.12.2008	31.12.2007	31.12.2007
			Foreign	Foreign	Foreign	Foreign	Foreign	Foreign
			Currency	TL	Currency	TL	Currency	TL
			Balance	Balance	Balance	Balance	Balance	Balance
TFK	Fixed Property	TL	20,000	20,000	20,000	20,000		--
Halkbank	Fixed Property	USD	22,500	33,878	--	--		--
Albaraka	Fixed Property	TL	20,000	20,000	--	--		--
Garanti Bankası	Vehicles	TL	--	--	--	--	234	234
İş Bankası	Vehicles	TL	--	--	399	399	1,353	1,353

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NOTE 19– INTANGIBLE ASSETS

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

	31.12.2007	Additions	Merger effect	31.12.2008
<u>Cost Value</u>				
Other intangible assets	953	85	4	1,042
	953	85	4	1,042
<u>Accumulated amortization</u>				
Other intangible assets	571	115	2	688
	571	115	2	688
Net book value	382	(30)	2	354

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NOTE 19– INTANGIBLE ASSETS (Continued)

	01.01.2007	Additions	Disposals	31.12.2007
<u>Cost Value</u>				
Other intangible assets	878	75	--	953
	878	75	--	953
<u>Accumulated amortization</u>				
Other intangible assets	451	120	--	571
	451	120	--	571
Net book value	427	(45)	--	382

Other intangible assets consist programs, software and licenses.

NOTE 20– GOODWILL

	31.12.2009	31.12.2008	31.12.2007
Goodwill	43,652	43,652	43,652
	43,652	43,652	43,652
Kiler Ankara Mağazacılık San. ve Tic. A.Ş.	30,011	30,011	30,011
Kiler Trakya Mağazacılık San. ve Tic. A.Ş.	13,641	13,641	13,641
	43,652	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 (31.12.2008: None, 31.12.2007: None)

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NOTE 22– PROVISIONS

22.1. Contingent liabilities

	31.12.2009	31.12.2008	31.12.2007
Provision of lawsuits	5,435	4,473	1,611
	5,435	4,473	1,611

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 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.

As of 31 December 2008 there was a total of 4 law suits and enforcement proceedings opened by the Company amounting to TL 244. There was a total of 280 law suits and enforcement proceedings which had been filed against the Company amounting to TL 5,842.

As of 31 December 2007 there was a total of 13 law suits and enforcement proceedings opened by the Company amounting to TL 390. There was a total of 141 law suits and enforcement proceedings which had been filed against the Company amounting to TL 3,939.

22.2. Contingent assets

None (31.12.2008: None, 31.12.2007: None).

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NOTE 23- COMMITMENTS AND CONTINGENCIES

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

	31.12.2009	31.12.2008	31.12.2007
A GMA given on behalf of the Group's legal entity	113,018	86,393	56,605
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	144,087	139,285	11,647
-Given on behalf of related parties except B and C	92,585	72,684	47,471
-Given on behalf of third parties except C	--	--	--
	349,690	298,362	115,723

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 (Note 41). 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

	31.12.2009	31.12.2008	31.12.2007
Severance Payment Provisions	2,568	2,710	1,951

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 2,365.16 as of the related balance sheet date, 31.12.2009 (31.12.2008: TL/year 2,173.19, 31.12.2007: TL/year 2,030.19).

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

In the financial statements as of 31 December 2009, 2008 and 2007 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 31.12.2009 the liability for employment termination benefits was calculated based on an annual real discount rate of 5.92% (31.12.2008: an annual real discount rate of 6.26%, 31.12.2007: an annual real discount rate of 5.71%) using estimated annual inflation rate of 4.8% and discount rate of 11.4%.

Severance payment provision table listed below:

	31.12.2009	31.12.2008	31.12.2007
Opening balance	2,710	1,968	1,184
Charge for the period	668	1,415	1,023
Payments	(810)	(817)	(256)
Merger effect	--	144	--
Total	2,568	2,710	1,951

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NOTE 25- PENSION PLANS

None (31.12.2008: None, 31.12.2007: None)

NOTE 26– OTHER ASSETS AND LIABILITIES

Other short-term assets

	31.12.2009	31.12.2008	31.12.2007
Prepaid expenses	430	295	1,761
Prepaid rent expenses	3,432	9,427	637
Advances given	15,352	14,016	17,141
Income accruals	806	479	158
VAT carried forward	1,710	4,030	261
Advances given for business purposes	970	--	129
Deposits and guarantees given	260	270	479
Provision for advances given	(3,291)	(1,931)	--
Other	--	51	--
	19,669	26,637	20,566

The transaction of provision for advances given is below:

	31.12.2009	31.12.2008	31.12.2007
Opening balance	1,931	--	--
Charge for the period	1,360	1,931	--
	3,291	1,931	--

Other long-term assets

	31.12.2009	31.12.2008	31.12.2007
Prepaid expenses	2	294	--
Prepaid rent expenses	11,724	12,784	33
	11,726	13,078	33

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NOTE 26– OTHER ASSETS AND LIABILITIES (Continued)

Other short-term liabilities	31.12.2009	31.12.2008	31.12.2007
Social security premiums and taxes	3,893	3,364	1,999
Expense accruals	8	359	--
Deposits and guarantees received	142	133	131
Provision for customer loyalty program	274	--	--
Other	--	6	--
	4,317	3,862	2,130

NOTE 27- EQUITY

The capital of the Company as at 31 December 2009, 2008 and 2007 was TL 105,000, TL 100,000 and TL 50,000, respectively. This capital consisted of 10,500,000,000 (2008: 10,000,000,000, 2007: 5,000,000,000). TL 72,262 (2008: TL 67,262) shares for Krş 1 (Krş 1) each and comprise of 7,226,158,929 shares (2008: 6,726,158,929) are A group shares and TL 32,738 (2008: TL 32,738) which comprise of 3,273,841,071 shares (2008: 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)

	31.12.2009		31.12.2008		31.12.2007	
	<u>%</u>	<u>Share Amount</u>	<u>%</u>	<u>Share Amount</u>	<u>%</u>	<u>Share Amount</u>
Nahit Kiler	14.00	14,700	14.00	14,000	13.67	6,833
Vahit Kiler	14.00	14,700	14.00	14,000	13.67	6,833
Ümit Kiler	14.00	14,700	14.00	14,000	13.67	6,833
Hikmet Kiler	1.00	1,050	1.00	1,000	1.00	500
Sevgül Kiler	0.65	682	0.65	650	1.00	500
Kiler Holding A.Ş.	55.00	57,750	55.00	55,000	57.00	28,501
Denge Reklam Turizm İnş.Eml.Gıda Elekt.Elektronik San.Ve Tic. Ltd. Şti.	1.35	1,418	1.35	1,350	--	--
		105,000		100,000		50,000
Capital commitments (-)		(3,800)		(3,170)		--
		101,200		96,830		50,000

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NOTE 27– EQUITY (Continued)

In the extraordinary general meeting of shareholders of Kiler Alışveriş dated 18.08.2009 the capital of the Company which was 100,000 TL was increased to TL 105,000. TL 1,000 of the share capital increase amounting to TL 5,000 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), the remaining 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.

In the extraordinary general meeting of shareholders of Kiler Alışveriş dated 28.04.2008 the capital of the Company which was 65,000 TL was increased to TL 100,000. TL 29,633 of the capital increase amounting to TL 35,000 was the net worth of the Company merged on 14.03.2008 (Note 3) and the remaining TL 5,367 was increased by shareholders in cash. The decision was registered on 02.05.2008 and was issued in the Turkish Commercial Register Newspaper dated 07.05.2008 numbered 7057.

In the extraordinary general meeting of shareholders of Kiler Alışveriş dated 01.02.2008 the capital of the Company which was TL 50,000 was increased to TL 65,000. TL 5,435 was increased from Retained Earnings and TL 6,460 was increased by shareholders in cash and the remaining TL 3,105 was the net worth of the merger of Kiler Trakya Mağazacılık Sanayi ve Ticaret A.Ş. The decision was registered on 05.02.2008 and was issued in the Turkish Commercial Register Newspaper dated 08.02.2008 numbered 6995.

The shareholders of the Group pledged Kiler Alışveriş shares as a guarantee of Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.'s loan on 28.09.2009. The limit of the loan is USD 70,000. According to the loan agreement Kiler Holding's 1,972,103,295 registered and 2,752,896,705 bearer shares, Ümit Kiler's 315,000,000 bearer and Nahit Kiler's 315,000,000 bearer shares totaling 5,355,000,000 shares (which comprise 51% 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. As of 30.06.2010, this loan agreement stated with Akbank T.A.Ş. has been terminated (Note 40).

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 31.12.2009 the share capital of the Company was increased to TL 101,200 and the pledge on 1,000,000,000 shares of ING bank was declined to 9.88% on total shares, the operation of increasing the pledged shares percentage to 10% is in an ongoing process.

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.

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NOTE 27- EQUITY (Continued)

27.2)

	31.12.2009	31.12.2008	31.12.2007
Legal Reserves	781	742	293
Extraordinary Reserves	11,258	11,258	1,614
Statue Reserves	--	--	40
	12,039	12,000	1,947

27.3)

	31.12.2009	31.12.2008	31.12.2007
General Reserves	(24,541)	841	8,762
	(24,541)	841	8,762

27.4)

	31.12.2009	31.12.2008	31.12.2007
Revaluation surpluses and special funds	28,931	--	2,013
	28,931	--	2,013

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 a 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.

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NOTE 28 - SALES AND COST OF SALES

	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Retail and wholesale sales	659,088	606,709	572,221
Other sales	119,241	88,842	82,368
	778,329	695,551	654,589
Minus: Deductions and returns	(8,253)	(6,525)	(5,871)
Sales revenues (net)	770,076	689,026	648,718
Cost of sales	(567,820)	(538,152)	(540,364)
Gross Profit	202,256	150,874	108,354

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

	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Marketing, Selling and Distribution Expenses (-)	129,547	119,935	94,846
General Administrative Expenses (-)	25,171	27,935	16,144
	154,718	147,870	110,990

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NOTE 30 – OPERATING EXPENSE BREAKDOWN

Marketing, Selling and Distribution Expenses	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Personnel expense	46,055	43,594	32,192
Office expense	18,331	18,351	12,822
Advertisement expense	6,373	5,484	8,896
Rent expense	33,575	25,596	17,510
Repair and maintenance expense	3,438	2,118	1,866
Packaging expenses	2,049	1,326	432
Security expense	1,104	948	237
Communication expense	375	1,351	1,258
Motor vehicle expenses	1,768	6,229	2,261
Insurance expense	639	372	328
Tax expense	802	661	486
Bank expense	666	508	461
Remuneration expense	379	297	137
Depreciation and amortization expense	8,422	4,329	7,900
Sale commission expense	839	402	102
Travel expense	2,081	621	236
Other	2,651	7,748	7,722
	129,547	119,935	94,846

General and Administrative Expenses	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Personnel expense	3,513	7,002	4,841
Travel expense	503	387	338
Consulting expense	898	736	575
Office expense	4,200	1,507	2,367
Rent expense	1,445	834	1,086
Motor vehicle expenses	2,633	2,171	2,058
Insurance expense	456	1,044	618
Repair and maintenance expense	490	593	1,036
Communication expense	806	217	125
Tax expense	274	702	569
Provision for severance pay	668	1,415	1,023
Provision for doubtful receivables	2,783	2,240	--
Depreciation and amortization expense	4,848	7,636	658
Other	1,654	1,451	850
	25,171	27,935	16,144

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NOTE 31- INCOME/EXPENSE FROM OTHER OPERATIONS

Other Operating Income and Profit:	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Revaluation surplus on investment property	101	--	--
Insurance claim income	1,857	399	181
Income on sale of fixed assets	70	655	15
Profit on sale of investment	--	1,953	--
Other income	504	422	566
	2,532	3,429	762

Other Operating Expenses:	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Loss on sale of fixed assets	39	256	455
Insurance claim expenses	--	--	28
Donation expenses	386	--	2,652
Loss on penalties and claims	480	94	1
Lawsuit provision	1,918	565	893
Tax expense	1,697	288	308
Tax penalties accrual	--	2,482	--
Provision of diminution in investment property	298	--	--
Diminution in net book value of property, plant and equipment	1,127	--	--
Other expenses	1,340	1,157	1,039
	7,285	4,842	5,376

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NOTE 32– FINANCIAL INCOME

	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Dividend income	112	889	--
Term differences on credit sale	655	364	869
Interest income from related parties	12	1,131	2,908
Foreign exchange gain	12,064	11,550	8,381
Profit on marketable securities	269	25	--
	13,112	13,959	12,158

NOTE 33- FINANCIAL EXPENSES

	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Term differences on credit purchase	3,539	7,228	6,612
Interest expense	22,154	9,306	5,129
Foreign exchange expense	12,940	33,936	1,101
Loss on marketable securities	--	219	--
Other	107	157	--
	38,740	50,846	12,842

NOTE 34– ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (31.12.2008: None, 31.12.2007: 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%. 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 period 31.12.2009, 31.12.2008 and 31.12.2007 is as follows:

Balance Sheet	31.12.2009	31.12.2008	31.12.2007
Current period corporation tax charge	1,331	112	997
Prepaid taxes	(412)	(4)	(415)
	919	108	582
Income statements	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Current period corporation tax charge	(1,371)	(130)	(1,076)
Deferred tax income / (expense)	(6,276)	7,099	840
Total tax expense/ (income)	(7,647)	6,969	(236)

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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 31.12.2009, 31.12.2008 and 31.12.2007 using the enacted tax rates are as follows:

	<u>Total</u> <u>temporary differences</u>			<u>Deferred tax asset/(liabilities)</u>		
	31.12.2009	31.12.2008	31.12.2007	31.12.2009	31.12.2008	31.12.2007
Discount on trade receivable	308	129	609	62	26	122
Provision for severance payments	2,568	2,710	1,951	514	542	390
Finance expense	3,898	859	80	780	172	16
Provision for doubtful receivable	4,425	2,172	--	885	434	--
Valuation difference on marketable security	--	218	--	--	44	--
Difference in statutory book value of inventories and IFRS value of inventories	--	33,575	24,807	--	6,715	4,961
Cancellation of capitalized interest expense	24,831	15,721	89	4,966	3,144	19
Cancellation of capitalized advertising expense	--	6,384	--	--	1,276	--
Term difference on inventories	1,087	1,981	1,527	217	396	305
Lawsuit provision	5,435	4,473	1,611	1,087	895	322
Previous Year Losses	2,871	4,778	6,816	574	956	1,363
Revaluation differences on investment property	197	--	--	39	--	--
Other	1,080	489	160	216	98	32
Discount on trade payable	(2,525)	(2,861)	(1,889)	(505)	(572)	(378)
Revaluation difference on land and buildings	(9,692)	--	--	(1,938)	--	--
Difference on depreciation arising from recalculation with useful economic life	(39,282)	(32,946)	(29,854)	(7,857)	(6,589)	(5,971)
Finance income	--	(281)	(1,100)	--	(57)	(220)
Deferred tax assets	46,700	73,489	37,650	9,340	14,698	7,530
Deferred tax liabilities	(51,499)	(36,088)	(32,843)	(10,300)	(7,218)	(6,569)
Deferred tax assets/liabilities, net	(4,799)	37,401	4,807	(960)	7,480	961

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

Reconciliation of deferred tax as follows:

	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Deferred tax assets / (liabilities), net current period	(960)	7,480	961
Deferred tax assets / (liabilities), net beginning of the period (-)	(7,480)	(961)	(121)
	(8,440)	6,519	840
Deferred tax income/expense	(6,276)	7,099	840
Deferred tax on fair value gain of property, plant and equipment	(2,164)	--	--
Merger effect	--	(580)	--
	(8,440)	6,519	840

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

	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Profit before tax	17,157	(35,296)	(7,934)
Tax expense expected as a result of the main partnership tax rate (20%)	(3,431)	7,059	1,587
Group's expected tax expense	(3,431)	7,059	1,587
Effect of tax disallowed expenses	(977)	(233)	(110)
The tax effect of other incomes exempt from tax	548	563	1,222
Other differences	(3,787)	(420)	(2,935)
Group's tax expense for the period	(7,647)	6,969	(236)

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NOTE 36- EARNINGS PER SHARE

	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Shareholders' net profit/(loss) for the period	9,510	(28,327)	(8,170)
Minority's net loss for the period	(1,548)	2,984	9,004
Profit attributable to equity holders of company	7,962	(25,343)	834
Weighted average number of outstanding ordinary shares	10,213,698,630	8,787,256,164	5,543,500,000
Earnings per share full (TL)	0.0008	(0.0029)	0.0002

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	31.12.2009	31.12.2008	31.12.2007
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	169	934	584
İntaş Güvenlik Koruma Hizm.	--	2	--
Atlas Alışveriş Hizm. Ltd. Şti.	--	--	17,208
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	294	--	--
Beyaz Çınar Yapı İnş. Emlak Yön. Hizm. Ltd. Şti.	61	34	--
Yayla Etçilik Besicilik A.Ş.	--	--	365
Kbc Gıda San. Tic. Ltd. Şti.	--	--	351
	--	--	--
	524	970	18,508

Notes receivables from related parties	31.12.2009	31.12.2008	31.12.2007
Tureks Tur. Taş. İnş. San. A.Ş.	5,000	--	--
	5,000	--	--

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NOTE 37- RELATED PARTIES DISCLOSURES (Continued)

b)

Trade payables to related parties	31.12.2009	31.12.2008	31.12.2007
Kütahya Şeker Fabrikası A.Ş.	10,219	5,999	637
Bağcı Sebze Meyve Tar. Ürünleri Su Ür. Soğuk Hav. Depo Tic. A.Ş.	1,651	391	1,140
Yayla Etçilik Besicilik A.Ş.	788	--	--
Biskon Yapı A.Ş.	--	--	119
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	101	103	1,454
Yayla Etçilik Besicilik A.Ş.	--	--	4,282
Kbc Gıda San. Tic. Ltd. Şti.	2,652	1,920	1,775
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	--	32	--
Tureks Tur. Taş. İnş. San. A.Ş.	--	17	17
Total	15,411	8,462	9,424

c)

Other receivables from related parties	31.12.2009	31.12.2008	31.12.2007
Kiler Holding A.Ş.	24,892	21,704	4,650
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	20,335	3,297	--
Klr İnşaat Tic. Ltd. Şti.	5,201	6,830	--
Nur-Tek Elekt. Üretim A.Ş.	81	7	--
Gülkar Enerji Üretim ve Tic. A.Ş.	24	223	--
Ekol Turizm Otelcilik A.Ş.	22	564	1,482
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	79	--
Özbey Enerji İnş. Taah. Kuyum. Tur. San. Tic. A.Ş.	6	5	--
Ümit Sağlık Hizm. San. ve Tic. A.Ş.	--	4	--
Ekol Elekt. Ür. Dağ. San. Tic. A.Ş.	--	2	36
Biskon Yapı A.Ş.	--	2,078	--
Tureks Tur. Taş. İnş. San. A.Ş.	--	1,432	--
Çatal Enerji San. ve Tic. Ltd. Şti.	--	16	--
Atlas Alışveriş Hizm. Ltd. Şti.	--	--	267
Kbc Gıda San. Tic. Ltd. Şti.	--	--	241
	50,638	36,241	6,676

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NOTE 37- RELATED PARTIES DISCLOSURES (Continued)

Other receivables from shareholders	31.12.2009	31.12.2008	31.12.2007
Nahit Kiler	--	1,144	1,022
Vahit Kiler	--	1,145	1,027
Ümit Kiler	--	1,144	2,072
Hikmet Kiler	--	45	16
Sevgül Kiler	--	33	19
Kadir Caner	--	104	945
Ahmet Caner	--	--	472
İsmail Caner	--	--	472
	--	3,615	6,045

d)

Short-term other payables to related parties	31.12.2009	31.12.2008	31.12.2007
Kiler Alışveriş Hizmetleri Gıda San. Tic. Ltd. Şti.	2,500	--	--
Nuve Elekt. Ür. A.Ş.	25	188	--
Ayone Enerji Ür. A.Ş.	13	--	--
İmperyay/İmper Yayıncılık ve Reklamcılık A.Ş.	9	19	--
Kütahya Şeker Fabrikası A.Ş.	22,865	--	--
Kiler Holding A.Ş.	1	1	--
	25,413	208	--

Long- term other payables to related parties	31.12.2009	31.12.2008	31.12.2007
Kütahya Şeker Fabrikası A.Ş.	--	20,000	--
	--	20,000	--

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NOTE 37- RELATED PARTIES DISCLOSURES (Continued)

Other payables to shareholders	31.12.2009	31.12.2008	31.12.2007
Ümit Kiler	8,156	13,560	4,763
Kadir Caner	5,270	10,391	12,195
Nahit Kiler	204	240	56
Vahit Kiler	159	240	61
Ahmet Caner	1,030	1,725	535
İsmail Caner	958	1,750	534
	15,777	27,906	18,144

e)

Sales to related parties	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Klr İnşaat Tic. Ltd. Şti.	183	176	--
Biskon Yapı A.Ş.	169	130	--
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	45	2,817	2,658
Kiler Holding A.Ş.	600	52	149
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	209	59	255
Gülkar Enerji Üretim ve Tic. A.Ş.	1	5	--
Nur-Tek Elekt. Üretim A.Ş.	55	41	--
Atlas Alışveriş Hizm. Ltd. Şti.	--	--	35,437
Bağcı Sebze Meyve Tar. Ürünleri Su Ür.	--	--	2,426
Soğuk Hav. Depo Tic. A.Ş.	--	--	1,822
Yayla Etçilik Besicilik A.Ş.	--	--	1
İmperay/İmper Yayıncılık ve Reklamcılık A.Ş.	--	--	1,215
Kbc Gıda San. Tic. Ltd. Şti.	1,141	47	--
Beyaz Çınar Yapı İnş. Emlak Yön. Hizm. Ltd. Şti.	--	2	--
Kütahya Şeker Fabrikası A.Ş.	231	3	--
	2,634	3,332	43,963

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NOTE 37- RELATED PARTIES DISCLOSURES (Continued)

f)

Purchases from related parties	01.01- 31.12.2009	01.01- 31.12.2008	01.01- 31.12.2007
Kiler Holding A.Ş.	897	2,397	--
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	4,303	4,882	3,752
Klr İnşaat Tic. Ltd. Şti.	102	1,065	--
Gülkar Enerji Üretim ve Tic. A.Ş.	--	34	--
Kbc Gıda San. Tic. Ltd. Şti.	8,454	692	7,153
Atlas Alışveriş Hizm. Ltd. Şti.	--	--	3,878
Bağcı Sebze Meyve Tar. Ürünleri Su Ür.	67	--	28,983
Yayla Etçilik Besicilik A.Ş.	--	--	17,780
Kütahya Şeker Fabrikası A.Ş.	6,524	15,490	--
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	647	172	--
	20,994	24,732	61,546

g) Remuneration of the management

The total remuneration of the chairman, the members of Board and the top management, amounted to TL 1,212 for the year ended 31 December 2009 (01.01-31.12.2008 TL 1,036, 01.01.-31.12.2007: TL 607).

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 31 December 2009, 2008 and 2007:

Interest Rate Position		31.12.2009	31.12.2008	31.12.2007
Financial instrument with fixed interest rate:				
	Financial assets which fair value differences are reflected in			
Financial assets	profit/loss	--	--	--
	Financial assets available for sale	--	--	--
Financial liabilities		118,878	91,625	68,395
Financial instrument with variable interest rate:				
	Financial assets which fair value differences are reflected in			
Financial assets	profit/loss	--	--	--
	Financial assets available for sale	--	--	--
Financial liabilities		20,749	--	3,439

If the base point was 1% higher/lower as of 31 December 2009, 2008 and 2007; and if all of the other variables had remained the same, the profit before tax would have been higher/lower by TL 482, TL 194 and TL 61, respectively.

Credit risk

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

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

Exposure to credit risks with financial instruments are shown below:

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	--	--

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

31.12.2008

	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 31.12.2008	--	--	--	--	--	--	--
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--	--
A. Carrying amount of financial assets that are not overdue and not impaired	970	4,095	39,856	746	2,012	--	--
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)	--	103	--	206	--	--	--
- Impairment	--	(103)	--	(206)	--	--	--
- 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	970	4,095	39,856	746	2,012	--	--

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
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NOTE 38 - FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

31.12.2007

	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 31.12.2007	--	--	--	--	--	--	--
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--	--
A. Carrying amount of financial assets that are not overdue and not impaired	18,508	1,902	12,721	2,508	3,447	--	--
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)	--	39	--	--	--	--	--
- Impairment	--	(39)	--	--	--	--	--
- 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	18,508	1,902	12,721	2,508	3,447	--	--

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
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NOTE 38 - FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (Continued)

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:

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	--

31.12.2008:

Contractual maturities	Book value	Total cash outflow	1-3 months maturity	3-12 months maturity	Over 1 year
Borrowings	88,804	96,330	22,142	30,333	43,855
Expected maturities	Book value	Total cash outflow	1-3 months maturity	3-12 months maturity	Over 1 year
Trade payables	148,257	151,118	130,033	13,909	7,176
Other payables	49,791	49,791	29,791	--	20,000

31.12.2007

Contractual maturities	Book value	Total cash outflow	1-3 months maturity	3-12 months maturity	Over 1 year
Borrowings	71,834	76,736	13,083	29,212	34,441
Expected maturities	Book value	Total cash outflow	1-3 months maturity	3-12 months maturity	Over 1 year
Trade payables	122,983	124,873	117,543	7,330	--
Other payables	21,842	21,842	21,842	--	--

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

Foreign current 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:

	31.12.2009	31.12.2008	31.12.2007	
Assets	123	122	305	
Liabilities	(72,073)	(82,109)	(66,429)	
Net Foreign currency	(71,950)	(81,987)	(66,124)	
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	39,240	26,061	--	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities(10+11+12)	39,240	26,061	--	--
14. Trade payables	--	--	--	--
15. Financial liabilities	32,833	21,717	62	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	32,833	21,717	62	--
18. Total liabilities (13+17)	72,073	47,778	62	--
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)	(71,950)	(47,739)	(50)	16
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)

31.12.2008	TL Equivalent	USD	EUR	GBP
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and bank accounts)	122	42	13	14
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	122	42	13	14
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)	122	42	13	14
10. Trade payables	--	--	--	--
11. Financial liabilities	41,382	27,276	62	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities(10+11+12)	41,382	27,276	62	--
14. Trade payables	--	--	--	--
15. Financial liabilities	40,727	26,847	59	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	40,727	26,847	59	--
18. Total liabilities (13+17)	82,109	54,123	121	--
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)	(81,987)	(54,081)	(108)	14
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)

31.12.2007	TL Equivalent	USD	EUR	GBP
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and bank accounts)	305	228	4	14
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	305	228	4	14
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)	305	228	4	14
10. Trade payables	--	--	--	--
11. Financial liabilities	36,578	14,122	11,771	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities(10+11+12)	36,578	14,122	11,771	--
14. Trade payables	--	--	--	--
15. Financial liabilities	29,851	4,558	14,351	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	29,851	4,558	14,351	--
18. Total liabilities (13+17)	66,429	18,680	26,122	--
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)	(66,124)	(18,452)	(26,118)	14
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)

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	(7,188)	7,188	(7,188)	7,188
2- Hedging part of USD risk (-)	--	--	--	--
3-USD net effect (1+2)	(7,188)	7,188	(7,188)	7,188
	If EUR change 10% against TL			
4- EUR net assets/liabilities	(11)	11	(11)	11
5- Hedging part of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	(11)	11	(11)	11
	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)	(7,197)	7,197	(7,197)	7,197

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

Foreign currency sensitivity analyzing table

31.12.2008		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	(8,179)	8,179		(8,179)	8,179
2- Hedging part of USD risk (-)	--	--		--	--
3-USD net effect (1+2)	(8,179)	8,179		(8,179)	8,179
If EUR change 10% against TL					
4- EUR net assets/liabilities	(23)	23		(23)	23
5- Hedging part of EUR risk (-)	--	--		--	--
6- EUR net effect (4+5)	(23)	23		(23)	23
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)	(8,200)	8,200		(8,200)	8,200

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

Foreign currency sensitivity analyzing table

31.12.2007

	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	(2,149)	2,149	(2,149)	2,149
2- Hedging part of USD risk (-)	--	--	--	--
3-USD net effect (1+2)	(2,149)	2,149	(2,149)	2,149
	If EUR change 10% against TL			
4- EUR net assets/liabilities	(4,467)	4,467	(4,467)	4,467
5- Hedging part of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	(4,467)	4,467	(4,467)	4,467
	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)	(6,614)	6,614	(6,614)	6,614

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.

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

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

	31.12.2009	31.12.2008	31.12.2007
Total debt	136,821	88,804	71,834
Cash and cash equivalents	33,662	27,197	26,957
Net debt	170,483	116,001	98,791
Total equity	138,379	85,551	72,655
Overall financing	308,862	201,552	171,446
Net Debt/Overall financing	0.55	0.58	0.58

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:

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.

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

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.

NOTE 40- POST BALANCE SHEET EVENTS

- a. Severance payment ceiling increased as of 01.01.2010 from TL 2,365.16/per year to TL 2,427.04/per year.
- b. The group liquidated 3 of its stores in 2010 and opened 13 new stores.

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NOTE 40- POST BALANCE SHEET EVENTS (Continued)

c. The loan agreement of Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. which included the pledge of 51% of Kiler Alışveriş shares (Note 27) was terminated and a new loan agreement was formed on 30.06.2010. According to the renewed agreement the general loan limit is increased from USD 70,000 to USD 190,000 and 81% of Kiler Alışveriş shares are pledged on behalf of Akbank T.A.Ş.

- 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.

d. The Group signed protocols in 2010 with its related parties in order to sell its inventories amounting TL 28,209 as detailed in Note 13.

e. The Company bought part of buildings from Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. on 06.01.2010 for TL 23,458. The part of the building comprises of a total area of 20,863 m² in Istanbul Esenyurt where there is 347 blocks and 10 parcels depot closed area.

f. In the general meetings dated 11.06.2010 and 28.06.2010 TL 15,120 (belongs to Kiler Alışveriş) and TL 9,900 (belongs to Kiler Ankara) respectively of the special fund arising from the assets received from shareholders to be added to the share capital (Note 27) are used for the increase of the share capital.

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).

The Company transferred Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. shares amounting to TL 49,396 (which TL 19,765 was acquired with the merger with Atlas as explained in Note 3) and Kütahya Şeker Fabrikaları A.Ş. shares amounting to TL 33,866 to Kiler Holding A.Ş. on 26.12.2008 with the spin-off method. With this spin-off also a net debt amounting to TL 83,262 was transferred to Kiler Holding A.Ş. The spin-off was registered on 30.12.2008 and was issued in the Turkish Commercial Register Newspaper dated 05.01.2009 numbered 7220.