

**KİLER ALIŞVERİŞ
HİZMETLERİ GIDA SANAYİ
VE TİCARET A.Ş.
CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED
01.01. – 30.09.2013**

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 01.01.-30.09.2013

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1
KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
CONDENSED CONSOLIDATED FINANCIAL POSITION AT 30.09.2013 AND 31.12.2012

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

	Notes	Not reviewed 30.09.2013	<i>Restated</i> <i>(note 2.4-2.5)</i> Audited 31.12.2012
ASSETS			
Current assets			
Cash and cash equivalents	4	37,206	43,016
Financial investments		250	--
Trade receivables			
- Due from related parties	15	24,886	29,284
- Due from third parties		7,569	3,083
Other receivables			
- Due from related parties	15	71,552	77,747
- Due from third parties		1,922	1,337
Inventories	7	334,755	317,926
Prepaid expenses		36,917	17,784
Other current assets		986	1,712
Total current assets		516,043	491,889
Non-current assets			
Financial investments		54	54
Investments accounted by the equity method	5	128	--
Investment properties		58,241	58,241
Property, plant and equipment	8	144,865	152,155
Intangible assets			
- Goodwill	9	72,985	72,985
- Other intangible assets		503	581
Prepaid expenses		3,057	2,493
Deferred tax asset		13,991	11,545
Total non-current assets		293,824	298,054
Total assets		809,867	789,943

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
CONDENSED CONSOLIDATED FINANCIAL POSITION AT 30.09.2013 AND 31.12.2012

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

	Notes	Not reviewed 30.09.2013	<i>Restated</i> (note 2.4.2.5) Audited 31.12.2012
LIABILITIES			
Current liabilities			
Short term financial liabilities	6	244,903	178,157
Short term portion of long term financial liabilities	6	24,599	56,817
Trade payables			
- Due to related parties	15	7,434	5,331
- Due to third parties		241,993	203,346
Employee benefit obligations		8,269	6,756
Other payables			
- Due to related parties	15	5,664	630
- Due to third parties		11,327	20,711
Short term provisions			
- Other short term provisions	10.a	9,544	9,743
Deferred income		1,061	-
Other current liabilities		2,588	3,923
Total current liabilities		557,382	485,414
Non-current liabilities			
Long term financial liabilities	6	22,870	56,713
Trade payables			
- Due to third parties		583	681
Other payables			
- Due to third parties		-	5,688
Long term provisions			
- Long term provisions for employee benefits		7,644	6,572
Deferred tax liabilities		16,522	16,028
Non-current liabilities		47,619	85,682
EQUITY			
Company shareholders' equity			
Share capital	11.a	134,620	134,620
Share premiums	11.b	66,150	66,150
Items that will not be reclassified subsequently to profit or loss			
- Actuarial gain / loss	11.c	(3,310)	(2,594)
- Revaluation gains / losses	11.d	14,422	14,441
- Other gains / losses	11.e	5,156	5,156
Accumulated profit / loss	11.f	630	(6,003)
Net profit / loss for the period		(13,155)	6,614
Non-controlling interest		353	463
Total equity		204,866	218,847
Total liabilities and equity		809,867	789,943

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE INTERIM PERIODS 01.01.-30.09.2013 AND 01.01.-30.09.2012

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

	Notes	Not reviewed 01.01.- 30.09.2013	<i>Restated</i> <i>(note 2.4-2.5)</i> Not reviewed 01.01.- 30.09.2012	Not reviewed 01.07.- 30.09.2013	<i>Restated</i> <i>(note 2.4-2.5)</i> Not reviewed 01.07.- 30.09.2012
PROFIT OR LOSS					
Revenue	12	757,189	711,082	279,303	248,555
Cost of sales (-)	12	(566,885)	(526,124)	(212,006)	(189,678)
Gross profit		190,304	184,958	67,297	58,877
General administrative expenses (-)	13	(27,364)	(27,687)	(9,198)	(8,962)
Marketing, selling and distribution expenses (-)	13	(135,935)	(133,619)	(46,710)	(45,644)
Other operating income		1,859	1,946	97	793
Other operating expenses (-)		(7,742)	(7,281)	(3,380)	(1,098)
Operating profit		21,122	18,317	8,106	3,966
Financial income		7,866	22,149	3,525	5,049
Financial expenses (-)		(44,000)	(36,957)	(15,592)	(11,277)
Profit (loss) before tax from continuing operations		(15,012)	3,509	(3,961)	(2,262)
Tax income (expense) from continuing operations					
Income tax expense		--	(428)	--	19
Deferred tax income (expense)		1,767	(2,178)	2,558	(876)
Profit (loss) from continuing operations		(13,245)	903	(1,403)	(3,119)
Profit (loss) attributable to:					
Non-controlling interest		(90)	(48)	(50)	(44)
Equity holders of the parent		(13,155)	951	(1,353)	(3,075)
Earnings (losses) per share, TL	14	(0.097720)	0.007064	(0.010051)	(0.022842)

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS 01.01.-30.09.2013 AND 01.01.-30.09.2012

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

	Not reviewed 01.01.- 30.09.2013	<i>Restated</i> (note 2.4-2.5) Not reviewed 01.01.- 30.09.2012	Not reviewed 01.07.- 30.09.2013	<i>Restated</i> (note 2.4-2.5) Not reviewed 01.07.- 30.09.2012
Profit (loss) for the period	(13,245)	903	(1,403)	(3,119)
Other comprehensive income (loss)				
Actuarial gain / loss arising from defined benefit plans	(920)	(797)	(466)	(206)
Deferred tax income / expense	184	161	94	41
Total comprehensive income (loss)	(13,981)	267	(1,775)	(3,284)
Total comprehensive income (loss) attributable to:				
Non-controlling interest	(110)	(59)	(57)	(40)
Equity holders of the parent	(13,871)	326	(1,718)	(3,244)

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS 01.01.-30.09.2013 AND 01.01.-30.09.2012

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

	Share capital	Share premium	Items that will not be reclassified subsequently to profit or loss			Retained earnings		Attributable to owners of the parent	Non-controlling interest	Total equity
			Actuarial gain / loss	Revaluation gains / losses	Other gains / losses	Accumulated profit / loss	Net profit / loss			
Balances at 01.01.2012	134,620	66,150	--	9,153	5,156	5,344	(13,001)	207,422	578	208,000
Reclassification effect-IAS 19 (note 2.5)	--	--	(1,644)	--	--	662	982	--	--	--
Transfers	--	--	--	--	--	(12,019)	12,019	--	--	--
Depreciation on buildings measured with fair value	--	--	--	(10)	--	10	--	--	--	--
Total comprehensive income	--	--	(627)	2	--	--	951	326	(59)	267
Balances at 30.09.2012	134,620	66,150	(2,271)	9,145	5,156	(6,003)	951	207,748	519	208,267
Balances at 01.01.2013	134,620	66,150	--	14,441	5,156	(7,647)	5,664	218,384	463	218,847
Reclassification effect-IAS 19 (note 2.5)	--	--	(2,594)	--	--	1,644	950	--	--	--
Transfers	--	--	--	--	--	6,614	(6,614)	--	--	--
Depreciation on buildings measured with fair value	--	--	--	(19)	--	19	--	--	--	--
Total comprehensive expense	--	--	(716)	--	--	--	(13,155)	(13,871)	(110)	(13,981)
Balances at 30.09.2013	134,620	66,150	(3,310)	14,422	5,156	630	(13,155)	204,513	353	204,866

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS 01.01.-30.09.2013 AND 01.01.-30.09.2012

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

	Notes	Not reviewed 01.01.- 30.09.2013	<i>Restated</i> Not reviewed 01.01.- 30.09.2012
A. Cash flows from operating activities			
Profit / (loss) for the period		(13,245)	903
Adjustments to reconcile net income to net cash provided by operating activities	18	46,076	33,979
Operating profit before changes in working capital		32,831	34,882
Changes in assets and liabilities	18	(10,961)	(23,106)
Taxes paid		--	(457)
Net cash provided by operating activities		21,870	11,319
B. Cash flows from investing activities			
Cash outflows from the purchase of property, plant and equipment	8	(6,070)	(8,621)
Cash outflows from the purchase of intangible assets		(42)	(54)
Cash inflows from the sale of property, plant and equipments		1,019	231
Changes in financial investments		(378)	--
Net cash used in investing activities		(5,471)	(8,444)
C. Cash flows from financing activities			
Cash outflows due to debt repayments		(190,790)	(193,337)
Financial liabilities obtained		170,417	194,968
Interest paid		(19,640)	(28,349)
Foreign exchange gains		4,534	1,545
Foreign exchange losses		(1,291)	(4,210)
Interest received		3,332	9,671
Other receivables from related parties		6,195	15,143
Other payables to related parties		5,034	375
Net cash provided from / (used in) financial activities		(22,209)	(4,194)
Changes in cash and cash equivalents (A+B+C)		(5,810)	(1,319)
D. Cash and cash equivalents at the beginning of the period		43,016	42,008
Cash and cash equivalents at the end of the period (A+B+C+D)		37,206	40,689

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE INTERIM PERIOD ENDED 30.09.2013

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

NOTE 1– COMPANY’S ORGANIZATION AND NATURE OF OPERATIONS

Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret Anonim Şirketi (“Kiler” or “Kiler Alışveriş”) was established in 1994 in Istanbul. Kiler is mainly engaged in retail and wholesale of essential goods. As at 30.09.2013, Kiler has 140 stores (31.12.2012: 135) and together with its consolidated subsidiary total number of stores is 209 (31.12.2012: 202). As of the report date, the Company has opened Tekirdağ 3 store and has closed Yeşilköy store.

As at 30.09.2013, Kiler has 3,604 employees (31.12.2012: 3,625).

Kiler’s registered address is Namık Kemal Mahallesi, Kiler Caddesi, No: 96 Kat: 4 Esenyurt, Istanbul.

In the accompanying consolidated financial statements, Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş. is referred to as (“the Company”) and together with the subsidiary is referred to as (“the Group”).

Consolidated Company;

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 47% 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. In 2011 Kiler Alışveriş is purchased shares from Canerler family again and the percentage is increased from 47% to 96%. As of 30.09.2013, there were 69 stores in Ankara (under the banner of Kiler) (31.12.2012:67).

As of 30.09.2013, the number of personnel employed was 1,714 (31.12.2012: 1,712).

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

Investment accounted under equity method;

Doğu Aras Enerji Yatırımları A.Ş.

Doğu Aras Enerji Yatırımları Anonim Şirketi (“Doğu Aras”) was established on 16.05.2013 in Erzurum. Doğu Aras is mainly engaged in establishing or participating in to the companies which operates as retail, wholesale and distribution of electrical energy. Kiler Alışveriş owns 51% shares of Doğu Aras.

The Company has purchased the 100% shares of Aras Elektrik Dağıtım Satış A.Ş. (Aras Edaş) and Aras Elektrik Perakende Satış A.Ş.’de (Aras Pesaş) from the Privatisation Administration of the Prime Ministry of Turkey for USD 128.5 million on 28.06.2013.

Türkiye Elektrik Dağıtım A.Ş. has transferred 100% shares of Aras Edaş ve Aras Pesaş to Doğu Aras according to Board Decision dated 08.07.2013.

Aras Edaş ve Aras Pesaş are electricity distribution companies and operates in Erzurum, Ağrı, Ardahan, Bayburt, Erzincan, Iğdır and Kars.

Kiler Holding A.Ş. has undertaken to take over all rights and obligations of Kiler Alışveriş arising from the purchase bid and to acquire all shares of the company to be established in accordance with the purchase bid either directly or through subsidiaries on basis of the purchase bid value on 04.10.2010. Kiler Alışveriş has decided to transfer its existing rights and obligations on Doğu Aras to Kiler Holding A.Ş. 51% shares of Doğu Aras that owned by Kiler Alışveriş, will be transferred to Kiler Holding A.Ş. with the permission and approval of the official institutions.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE INTERIM PERIOD ENDED 30.09.2013

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of Presentation

The accompanying financial statements are prepared in accordance with the CMB’s Communiqué Serial II, No: 14.1, “Principles of financial reporting in capital markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/TFRS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”) Turkish Accounting Standards Board.

The Company prepared its condensed interim financial statements for the period ended 30.09.2013, in accordance with TAS 34 “Interim Financial Reporting” in the framework of the Communiqué Serial XII No: 14.1 and its related announcements. The interim condensed financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Company preferred to present its interim financial statements in condensed.

The Company’s interim condensed financial statements does not include all disclosures and notes that should be included at year end financial statements. Therefore the interim condensed financial statements should be read in conjunction with the year end financial statements.

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.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE INTERIM PERIOD ENDED 30.09.2013

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

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.

As of 31.12.2012, advances given amounting to TL 5,083, which was accounted under “Other current asset”, was reclassified to “Prepaid expenses”.

As of 31.12.2012, advances given for business amounting to TL 7,172, which was accounted under “Other current asset”, was reclassified to “Prepaid expenses”.

As of 31.12.2012, prepaid insurance and rent expenses amounting to TL 5,529, which was accounted under “Other current asset”, was reclassified to “Prepaid expenses”.

As of 31.12.2012, prepaid insurance and rent expenses amounting to TL 2,493, which was accounted under “Other non-current asset”, was reclassified to “Prepaid expenses”.

As of 31.12.2012, financial liabilities amounting to TL 56,817, which was accounted under “Current financial liabilities”, was reclassified to “Short term portion of long term financial liabilities”.

As of 31.12.2012, payables to personnel amounting to TL 4,665, which was accounted under “Other payables”, was reclassified to “Employee benefit obligations”.

As of 31.12.2012, social security premiums amounting to TL 2,091, which was accounted under “Other current liabilities”, was reclassified to “Employee benefit obligations”.

As of 31.12.2012, increase in value of subsidiaries (according to Bring in Assets to the National Economy Law numbered 5811) amounting to TL 5,156, which was accounted under “Revaluation fund”, was reclassified to “Items that will not be reclassified subsequently to profit or loss as other gains /losses”.

As of 31.12.2012, revaluation fund of land and buildings amounting to TL 14,441, which was accounted under “Revaluation fund”, was reclassified to “Items that will not be reclassified subsequently to profit or loss as revaluation gains / losses”.

As of 30.09.2012, foreign exchange gains resulting from trade receivables and payables and interest income amounting to TL 664 which was accounted under “Financial income”, was reclassified to “Other operating income”.

As of 30.09.2012, foreign exchange loss resulting from trade receivables and payables and interest expense amounting to TL 4,190 which was accounted under “Financial expense”, was reclassified to “Other operating expense”.

As of 30.09.2012, interest cost of provision of employee termination benefits amounting to TL 383 which was accounted under “General administrative expenses”, was reclassified to “Financial expenses”.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE INTERIM PERIOD ENDED 30.09.2013

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

2.5. 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.

TAS 19, Employee Termination Benefits, effective from 01.01.2013, requires the recognition of actuarial gains / losses related to the employment termination benefits in the statement of comprehensive income. The Group applied the change in accounting policy retrospectively and actuarial gain / loss reported in previous periods' consolidated profit or loss statements were restated in actuarial gains / losses arising from defined benefit plans under shareholders equity. The effect of changes is detailed below:

Actuarial gain / loss amounting TL 950 netted off deferred tax which were disclosed under net profit for the period and actuarial gain / loss amounting TL 1,644 netted off deferred tax which were disclosed under retained earnings (totally actuarial gain / loss TL 2,594) in the statement of financial position as at 31.12.2012 are reclassified to actuarial gain / loss arising from defined benefit plans line under shareholders' equity.

Actuarial gain / loss amounting TL 638 (netted off deferred tax), which were reported under "general administrative expenses" and "deferred tax income /expense" in consolidated statement of profit or loss for the period 01.01.-30.09.2012 are reclassified to consolidated statement of other comprehensive income.

2.6. 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.

2.7. 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.

The consolidated subsidiary is detailed below;

Consolidated company	Economic interest (%)		Ownership interest rate (%)	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş.	96	96	96	96

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE INTERIM PERIOD ENDED 30.09.2013

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

2.8. Interests in joint venture

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Where a group entity undertakes its activities under joint venture arrangements directly, the Company's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities.

The Group reports its interests in jointly controlled entities using equity method, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary.

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognized in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

As of 30.09.2013, detail of the joint venture's of the company is as follows:

Investment	Proportion of voting power held (*)	Interest on shares	
		30.09.2013	31.12.2012
Doğu Aras Enerji Yatırımları A.Ş.	50%	51%	-

(*) Doğu Aras's Board of Directors has 6 members. 3 members of the Board of Directors are chosen from candidates nominated by Kiler Alışveriş and the remaining 3 members are chosen from candidates nominated by Çedaş Elektrik Dağıtım Yatırımları A.Ş.

2.9. 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:

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-
- 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.
 - 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.
 - 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 2.10).
 - 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.
 - The Group performs impairment tests on goodwill annually at 31 December. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. Those calculations are based on discounted net cash flow after tax projections which are based on the Group's five-year business plans.

2.10. 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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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 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:

	Year
Buildings	50
Machinery and equipment	10-20
Vehicles	7-14
Furniture and Fixtures	7-20
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.

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 re-measured 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.

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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.

	Year
Other intangible assets	2-14

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.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, 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 based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Impairment of assets

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

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

Financial investments

The Group classifies its financial assets held for trading.

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

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

Effective interest method

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

Bank borrowings

Interest-bearing bank loans and overdrafts are recognized at fair value at initial recognition which equate to the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accruals basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

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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.

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*Financial 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

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. For the purpose of these consolidated financial statements shareholders are referred to as related parties. Related parties also include individuals that are principle owners, management and members of the Group's Board of Directors and their families. (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).

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Subsequent 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 IFRIC 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 IFRIC 13 this amount is reduced from sales.

Taxation

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

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

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

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

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

Provision for employee termination benefits

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

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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2.11. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

The accounting policies, which are basis of presentation of financial statements for the financial period ending at 30.09.2013, are consistent with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretation of the previous financial year except for the new standards and interpretation adopted in the periods beginning on 01.01.2013. The effects of these standards and interpretations on Company's financial position and performance are summarized in below related paragraphs.

2.11.1 The new standards, amendments and interpretation adopted in the periods beginning on 01.01.2013 summarized in below:

- TFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amended)
- TAS 1 Presentation of Financial Statements (Amended) Presentation of other comprehensive income statement items
- TAS 19 Employee Benefits (Amended)
- TAS 27 Separate Financial Statements (Amended)
- TAS 28 Investments in Associates and Joint Ventures (Amended)
- IFRS 10 Consolidated Financial Statements
- TFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests Other Entities
- TFRS 13 Fair Value Measurement
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as the beginning of the annual reporting period in which TFRS 10 is applied for the first time. The assessment of whether control exists is made at the date of initial application rather than at the beginning of the comparative period. If the control assessment is different between TFRS 10 and TAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons POA has also amended TFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. These amendments did not have an impact on the interim financial statements of the Group.

Improvements to IFRSs

Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards, is effective for annual periods beginning on or after 1 January 2013. This project did not have an impact on the financial position or performance of the Company.

TAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

TAS 16 Property, Plant and Equipment:

Clarifies that major spare parts and servicing equipment, which meet the definition of property, plant and equipment, should not be classified as inventory.

TAS 32 Financial Instruments: Presentation:

Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with TAS 12 Income Taxes. The amendment removes existing income tax requirements from TAS 32 and requires entities to apply the requirements in TAS 12 to any income tax arising from distributions to equity holders.

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TAS 34 Interim Financial Reporting:

Clarifies the requirements in TAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

Standards issued but not yet effective and not early adopted

Standards, revisions and interpretations in issue but not effective and yet adopted on financial statement are summarized below. The Company will make the necessary changes if not, indicated otherwise, which will be affecting the financial statements and disclosures, after the new standards and interpretations become effective.

2.11.2 Standards issued but not yet effective and not early adopted

- TAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amended)
- TFRS 9 Financial Instruments – Classification and measurement

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

- IFRS 10 Consolidated Financial Statements
- International Financial Reporting Interpretation Committee (“IFRIC”) Interpretation 21 Levies
- IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial assets (Amendment)
- IAS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting (Amendment)

The standards detailed above, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the interim financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its financial statements after the new standards and interpretations are issued and become effective under TFRS.

NOTE 3- SEGMENT REPORTING

The Management has decided that the industrial segments are the primary the reporting segments considering that the risks and returns of the Company are affected by developments in the retail sector. The Management believes that the Company operates in a single industry sector as the risks and returns for the activities do not show any material difference because the scope of activity covers only the retail sale of food, drinks and durable consumer goods and classes of customers are similar. As a result all information related to the primary reporting segment has been fully presented in the attached financial statements

As the Group operates in a single geographic location (domestic), there is no basis for geographical segment reporting.

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NOTE 4 - CASH AND CASH EQUIVALENTS

	30.09.2013	31.12.2012
Cash	11,423	10,724
Banks		
- Demand deposit	11,644	1,236
Credit card receivables	14,139	31,056
	37,206	43,016

NOTE 5- INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

Details of the Group's associates at 30.09.2013 are as follows:

Investment	Proportion of voting power held (*)	30.09.2013		31.12.2012	
		Interest on shares	Amount	Interest on shares	Amount
Doğu Aras Enerji Yatırımları A.Ş.	50%	51%	128	--	--

(*) Doğu Aras's Board of Directors has 6 members. 3 members of the Board of Directors are chosen from candidates nominated by Kiler Alışveriş and the remaining 3 members are chosen from candidates nominated by Çedaş Elektrik Dağıtım Yatırımları A.Ş.

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NOTE 6– FINANCIAL LIABILITIES

	30.09.2013	31.12.2012
Current		
Bank loans		
- TL	153,913	154,312
- USD	113,833	79,028
- EURO	202	234
Leasing payables	1,554	1,400
	269,502	234,974
Non-current		
Bank loans		
- TL	2,804	3,010
- USD	18,702	51,153
Leasing payables	1,364	2,550
	22,870	56,713

The maturity of financial liabilities is listed below:

0 - 3 months	89,295	60,996
3- 12 months	180,207	173,978
1-2 year	14,395	43,178
2-3 year	7,010	9,852
3-4 year	1,465	3,683
	292,372	291,687

As of 30.09.2013 average effective rates are 10.65% for financial liabilities in TL, 5.44% for financial liabilities in USD and 3.60% for financial liabilities in EURO.

NOTE 7 – INVENTORIES

Raw materials	3,219	3,757
Merchandise	331,470	314,041
Other	66	128
	334,755	317,926

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NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

	01.01.2013	Addition	Disposal	30.09.2013
Cost				
Land	40,959	--	--	40,959
Buildings	12,743	--	--	12,743
Machinery and equipment	3,732	--	--	3,732
Vehicles	15,413	1,857	(1,231)	16,039
Furniture and fixtures	138,255	2,003	(184)	140,074
Leasehold improvements	54,546	2,210	(13)	56,743
Machinery and equipment under financial leasing	2,953	--	--	2,953
Vehicles under financial leasing	380	--	--	380
Furniture and fixtures under financial leasing	5,961	--	--	5,961
	274,942	6,070	(1,428)	279,584
Accumulated depreciation				
Buildings	--	206	--	206
Machinery and equipment	2,295	179	--	2,474
Vehicles	7,804	1,054	(743)	8,115
Furniture and fixtures	86,490	7,539	(84)	93,945
Leasehold improvements	23,493	3,085	(1)	26,577
Machinery and equipment under financial leasing	821	180	--	1,001
Vehicles under financial leasing	250	29	--	279
Furniture and fixtures under financial leasing	1,634	488	--	2,122
	122,787	12,760	(828)	134,719
Net book value	152,155			144,865

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	01.01.2012	Addition	Disposal	30.09.2012
Cost				
Land	32,311	--	--	32,311
Buildings	15,423	--	--	15,423
Machinery and equipment	3,715	15	--	3,730
Vehicles	14,444	1,064	(364)	15,144
Furniture and fixtures	134,129	2,683	--	136,812
Leasehold improvements	48,560	4,859	--	53,419
Machinery and equipment under financial leasing	2,953	--	--	2,953
Vehicles under financial leasing	380	--	--	380
Furniture and fixtures under financial leasing	5,961	--	--	5,961
	257,876	8,621	(364)	266,133
Accumulated depreciation				
Buildings	414	239	--	653
Machinery and equipment	2,041	258	--	2,299
Vehicles	7,038	985	(146)	7,877
Furniture and fixtures	74,451	10,059	--	84,510
Leasehold improvements	19,565	2,927	--	22,492
Machinery and equipment under financial leasing	581	180	--	761
Vehicles under financial leasing	212	29	--	241
Furniture and fixtures under financial leasing	983	488	--	1,471
	105,285	15,165	(146)	120,304
Net book value	152,591			145,829

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NOTE 9 – GOODWILL

	30.09.2013	31.12.2012
Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş.	60,065	60,065
Kiler Trakya Mağazacılık Sanayi ve Ticaret A.Ş.	12,920	12,920
	72,985	72,985

Movement of goodwill is as follows:

	01.01.- 30.09.2013	01.01.- 30.09.2012
Opening balance, 01 January	72,985	73,568
Goodwill impairment(-)	--	--
Closing balance, 30 September	72,985	73,568

NOTE 10 – PROVISIONS

10.a Other short term provisions

	30.09.2013	31.12.2012
Provision of lawsuits	9,544	9,743

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

As of 30.09.2013, there are a total of 213 law suits and enforcement proceedings opened by the Company amounting to TL 4,478. There are a total of 592 law suits and enforcement proceedings which had been filed against the Company amounting to TL 7,229.

As of 31.12.2012, there are a total of 199 law suits and enforcement proceedings opened by the Company amounting to TL 4,941. There are a total of 618 law suits and enforcement proceedings which had been filed against the Company amounting to TL 8,668.

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10.b Commitments and contingencies

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

	30.09.2013		31.12.2012	
	Foreign currency amount	TL equivalent	Foreign currency amount	TL equivalent
A. On behalf of incorporated body(*)		182,341		180,845
-TL	103,007	103,007	102,411	102,411
-USD	39,000	79,334	44,000	78,434
B. On behalf of consolidated subsidiaries		--		--
C. CPM's given on behalf of third parties for ordinary course of business		--		--
D. Total amount of other CPM's given		384,788		--
i. Total amount of CPM's given on behalf of the majority shareholder		--		--
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C (**)		384,788		--
-TL	100,000	100,000	--	--
-USD	140,000	284,788	--	--
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C		--		--
Total		567,129		180,845

(*)Among the GMA position given TL amounting 182,341 by the Group on behalf of its own legal entity, a mortgage amounting TL 25,000 and TL 20,000 was given to respectively Türkiye Finans Katılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş. for bank loans that are already used or will be used by Kiler Alışveriş and related parties. In the general credit agreement that signed between Kiler Alışveriş and bank, the total limit of loan is not allocated specifically between borrower parties and the mortgage cannot be allocated for each borrower.

(**)Kiler Alışveriş, was given a guarantee to T.C. Ziraat Bankası A.Ş. for bank loans that are already used by or will be used by Doğu Aras.

NOTE 11 – EQUITY

11.a Share capital

As of 30.09.2013, the composition of shareholders and their respective percentage ownership are summarized as follows:

	Percentage (%)		Share amount	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
Kiler Holding A.Ş.	38.57	38.57	51,929	51,929
Ümit Kiler	14.67	14.67	19,743	19,743
Nahit Kiler	14.67	14.67	19,743	19,743
Vahit Kiler	14.67	14.67	19,743	19,743
Quoted shares	15.00	15.00	20,193	20,193
Other	2.42	2.42	3,269	3,269
	100	100	134,620	134,620

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The capital of the Company as at 30.09.2013 was TL 134,620. This capital consisted of 134,620,000; TL 12,000 shares for TL 1 each and comprise of 12,000,000 shares are A group shares and TL 122,620 which comprise of 122,620,000 shares are B group shares.

Approval of Board of Directors is obliged for the transfer of registered A group shares. The Board of Directors can deny approving transfer of A Group shares without justification. B group registered shares can be transferred in accordance current laws and legislation.

Publicly offered shares which represent TL 20,193 of the total share capital are registered and do not have any privileges.

The pledges on shares are summarized below:

The shareholders of the Group pledged Kiler Alışveriş shares as a guarantee of Kiler Alışveriş and Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.'s loans from Akbank T.A.Ş. The limit of the loan is USD 110,000. According the loan agreement the pledge percentage is 66% on the share capital amounting TL 134,620; 9,738,436 A group shares, 79,110,764 B group shares, totally 88,849,200 shares 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.

The shareholders of the Group pledged Kiler Alışveriş shares as a guarantee of Kiler GYO A.Ş.'s bank loans from ING Bank A.Ş. According to the loan agreement, the pledge percentage is 9% on the share capital amounting TL 134,620; 1,080,000 A group shares, 11,035,785 B group shares, totally 12,115,785 shares 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.

The shareholders of the group pledged Kiler Alışveriş shares as a guarantee of Kiler Holding A.Ş.'s bank loans from Denizbank A.Ş. According to the loan agreement, the pledge percentage is 10% on the share capital amounting TL 134,620; 1,181,564 A group shares, 12,280,436 B group shares, totally 13,462,000 shares are pledged for a first degree on behalf of the lender for the principal loan amount and any type of accrual in terms of the interest and expense.

11.b Share premiums

The share premium account refers the difference between the per value of the company's shares and the amount the company received for newly issued shares. The share premium accounts are disclosed under equity as a separate line item and cannot be distributed. It can be used in capital increase.

	30.09.2013	31.12.2012
Share premium	66,150	66,150

Items that will not be reclassified subsequently to profit or loss are detailed as follows:

11.c Actuarial gain / loss

Actuarial gain / loss arising from defined benefit plans	(3,310)	(2,594)
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11.d Revaluation gains

Revaluation gains of land and buildings	14,422	14,441
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11.e Other gains / losses	30.09.2013	31.12.2012
Increase in value of subsidiaries (according to Bring in Assets to the National Economy Law numbered 5811)	5,156	5,156
11.f Accumulated profit / loss		
Legal reserves	1,139	1,139
Extraordinary reserves	11,258	11,258
Previous years' profits (losses)	(11,767)	(18,400)
	630	(6,003)

NOTE 12- REVENUE AND COST OF SALES

	01.01.- 30.09.2013	01.01.- 30.09.2012	01.07.- 30.09.2013	01.07.- 30.09.2012
Retail and wholesales	664,692	627,818	246,950	218,616
Other	97,144	88,440	34,248	31,546
	761,836	716,258	281,198	250,162
Deductions (-)	(4,647)	(5,176)	(1,895)	(1,607)
Revenue	757,189	711,082	279,303	248,555
Cost of sales (-)	(566,885)	(526,124)	(212,006)	(189,678)
Gross profit	190,304	184,958	67,297	58,877

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NOTE 13 – MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	01.01.- 30.09.2013	01.01.- 30.09.2012	01.07.- 30.09.2013	01.07.- 30.09.2012
Marketing, selling and distribution expenses				
Personnel expenses	59,496	55,901	20,317	18,909
Office expenses	19,690	17,496	7,315	5,944
Advertisement expenses	5,311	7,041	1,755	2,213
Rent expenses	32,709	31,179	11,253	10,658
Repair and maintenance expenses	3,515	3,955	1,245	1,819
Packaging expenses	380	317	156	96
Security expenses	401	713	109	236
Communication expenses	186	129	79	46
Motor vehicle expenses	2,219	2,072	851	641
Insurance expenses	721	592	262	215
Tax expenses	961	1,068	136	209
Bank expenses	353	731	105	273
Depreciation and amortization expenses	6,321	7,855	2,070	2,585
Other	3,672	4,570	1,057	1,800
	135,935	133,619	46,710	45,644
General administrative expenses				
Personnel expenses	6,487	5,659	2,307	1,934
Consulting expenses	764	2,087	184	624
Office expenses	1,651	1,896	688	693
Rent expenses	969	748	146	82
Motor vehicle expenses	4,385	4,203	1,557	1,437
Insurance expenses	618	501	241	138
Repair and maintenance expenses	459	529	116	199
Communication expenses	727	710	192	287
Tax expenses	1,084	588	235	98
Provision for employee termination benefits	1,120	900	396	314
Provision for doubtful receivables	345	393	318	190
Depreciation and amortization expenses	6,513	7,274	2,150	2,403
Other	2,242	2,199	668	563
	27,364	27,687	9,198	8,962

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NOTE 14- EARNINGS (LOSSES) PER SHARE

	01.01.- 30.09.2013	01.01.- 30.09.2012	01.07.- 30.09.2013	01.07.- 30.09.2012
Net profit (loss) for the period	(13,245)	903	(1,403)	(3,119)
Non-controlling interest's net (profit) loss for the period	90	48	50	44
Profit attributable to equity holders of parent	(13,155)	951	(1,353)	(3,075)
Weighted average number of outstanding ordinary shares	134,620,000	134,620,000	134,620,000	134,620,000
Earnings (losses) per share (TL)	(0.097720)	0.007064	(0.010051)	(0.022842)

NOTE 15- RELATED PARTIES DISCLOSURES

a) Trade receivables from related parties:	30.09.2013	31.12.2012
Denge Reklam Turizm İnşaat Emlak Gıda Elektrik Elektronik Sanayi ve Ticaret Limited Şirketi	20,522	27,475
KBC Gıda Sanayi ve Ticaret Limited Şirketi	4,906	2,087
Other	--	203
	25,428	29,765
Unearned interest on receivables (-)	(542)	(481)
	24,886	29,284
b) Trade payables to related parties:		
Current account payables:		
KBC Gıda Sanayi Ticaret Limited Şirketi	4,750	2,503
Bağcı Sebze Meyve Tarım Ürünleri ve Su Ürünleri Hayvancılık Soğuk Hava Depoculuğu Ticaret Anonim Şirketi	623	616
Other	1,091	1,024
Notes payable :		
Ümit Kiler Sebze Meyve Komisyoncusu	1,030	1,221
	7,494	5,364
Unearned interest on payables (-)	(60)	(33)
	7,434	5,331

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c) Other receivables from related parties :	30.09.2013	31.12.2012		
Kiler Holding Anonim Şirketi	28,019	28,355		
Doğu Aras Enerji Yatırımları Anonim Şirketi	30,055	--		
Ümit Kiler	6,748	26,620		
Nahit Kiler	5,225	20,706		
Other	1,505	2,066		
	71,552	77,747		
d) Other payables to related parties:				
Kiler Holding Anonim Şirketi	4,301	50		
Klr Elektrik Enerjisi Toptan Satış Anonim Şirketi	783	--		
Other	580	580		
	5,664	630		
e) Advances given to related parties				
Ümit Kiler Sebze Meyve Komisyoncusu	356	512		
Other	12	233		
	368	745		
f) Income from related parties	01.01.- 30.09.2013	01.01.- 30.09.2012	01.07.- 30.09.2013	01.07.- 30.09.2012
Denge Reklam Turizm İnşaat Emlak Gıda Elektrik Elektronik Sanayi ve Ticaret Limited Şirketi	1	29,320	--	13,044
Kiler Holding Anonim Şirketi	4,428	8,497	1,246	2,428
Biskon Yapı Anonim Şirketi	22,395	83	22,395	3
Other	3,014	3,970	1,082	1,948
	29,838	41,870	24,723	17,423

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g) Expense to related parties	01.01.- 30.09.2013	01.01.- 30.09.2012	01.07.- 30.09.2013	01.07.- 30.09.2012
Denge Reklam Turizm İnşaat Gıda Elektrik Sanayi Limited Şirketi	1,235	24,032	276	2,087
Kbc Gıda Sanayi Ticaret Limited Şirketi	9,813	9,358	2,375	2,377
Ümit Kiler Sebze Meyve Komisyoncusu	4,978	8,130	1,252	1,547
Kiler Holding Anonim Şirketi	1,767	4,032	599	874
Biskon Yapı Anonim Şirketi	22,691	98	22,691	--
Other	4,868	9,379	1,782	2,347
	45,352	55,029	28,975	9,232

h) Remuneration of the management

The total remuneration of the chairman, the members of Board and the top management, amounted to TL 199 for the period ended 30.09.2013.

NOTE 16- NATURES AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial asset

Financial instruments and financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result both from its operating and investing activities. The Group's risk management program focuses on minimizing the potential adverse effects of the unpredictable financial markets on the financial performance of the Group.

Interest rate risk

The Company is subject to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

Credit risk

Ownership of financial assets brings with it the risk that the counterparty may not be able to meet its obligations.

Liquidity risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Foreign currency risk

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

	30.09.2013	31.12.2012
Assets	30,084	74
Liabilities	(137,278)	(130,414)
Net foreign currency position	(107,194)	(130,340)

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30.09.2013

	USD	EURO	GBP	TL equivalent
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and bank accounts)	3	7	1	29
2b. Non-monetary financial assets	--	--	--	--
3. Other	14,775	--	--	30,055
4. Current assets (1+2+3)	14,778	7	1	30,084
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)	14,778	7	1	30,084
10. Trade payables	--	--	--	--
11. Financial liabilities	55,959	73	--	114,032
12a. Other monetary liabilities	2,234	--	--	4,544
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	58,193	73	--	118,576
14. Trade payables	--	--	--	--
15. Financial liabilities	9,194	--	--	18,702
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	9,194	--	--	18,702
18. Total liabilities (13+17)	67,387	73	--	137,278
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)	(52,609)	(66)	1	(107,194)
21. Monetary net foreign currency position / (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(67,384)	(66)	1	(137,249)
22. Total fair value of financial instruments for hedge	--	--	--	--
23. Exports	--	--	--	--
24. Imports	--	--	--	--

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31.12.2012

	USD	EURO	GBP	TL equivalent
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and bank accounts)	20	15	1	74
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	20	15	1	74
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)	20	15	1	74
10. Trade payables	--	--	--	--
11. Financial liabilities	44,333	99	--	79,261
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	44,333	99	--	79,261
14. Trade payables	--	--	--	--
15. Financial liabilities	28,696	--	--	51,153
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	28,696	--	--	51,153
18. Total liabilities (13+17)	73,029	99	--	130,414
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)	--	--	--	--
21. Monetary net foreign currency position / (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(73,009)	(84)	1	(130,340)
22. Total fair value of financial instruments for hedge	--	--	--	--
23. Exports	--	--	--	--
24. Imports	--	--	--	--

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Foreign currency sensitivity analyzing table				
30.09.2013				
	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	(10,702)	10,702	(10,702)	10,702
2- Hedging part of USD risk (-)	--	--	--	--
3- USD net effect (1+2)	(10,702)	10,702	(10,702)	10,702
	If EURO change 10% against TL:			
4- EURO net assets/liabilities	(18)	18	(18)	18
5- Hedging part of EURO risk (-)	--	--	--	--
6- EURO net effect (4+5)	(18)	18	(18)	18
Total (3+6)	(10,720)	10,720	(10,720)	10,720

Foreign currency sensitivity analyzing table				
31.12.2012				
	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	(13,015)	13,015	(13,015)	13,015
2- Hedging part of USD risk (-)	--	--	--	--
3- USD net effect (1+2)	(13,015)	13,015	(13,015)	13,015
	If EURO change 10% against TL:			
4- EURO net assets/liabilities	(20)	20	(20)	20
5- Hedging part of EURO risk (-)	--	--	--	--
6- EURO net effect (4+5)	(20)	20	(20)	20
Total (3+6)	(13,035)	13,035	(13,035)	13,035

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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 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.

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

Financial liabilities

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

The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values. The financial liabilities which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet.

NOTE 17- FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

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

Financial risk management objectives

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

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NOTE 18- SUPPLEMENTARY CASH FLOW INFORMATION

	01.01.- 30.09.2013	01.01.- 30.09.2012
Adjustment to reconcile profit (loss) before taxation to net cash provided from operating activities:		
Depreciation and amortisation expenses	12,880	15,331
Provision for employment termination benefits	1,726	1,283
Profit on sale of property, plant and equipment	(522)	(69)
Loss on sale of property, plant and equipment	103	56
Other short term provisions, net	(199)	304
Provision for doubtful receivables	345	393
Unearned interest on trade receivables and payables, net	(613)	731
Interest income	(3,332)	(9,671)
Interest expense	22,298	28,171
Foreign exchange gains	(4,534)	(12,477)
Foreign exchange losses	19,691	7,321
Tax income / expense	(1,767)	2,606
	46,076	33,979
Net changes in operating assets and liabilities		
Changes in trade receivables	(305)	(30,434)
Changes in inventories	(16,829)	(32,296)
Changes in other receivables	(665)	(687)
Changes in prepaid expenses	(19,963)	(2,420)
Changes in other assets	726	(176)
Changes in trade payables	41,482	53,858
Changes in other payables	(15,072)	(10,831)
Changes in other operating activities	1,239	1,074
Employee termination benefits paid	(1,574)	(1,194)
	(10,961)	(23,106)
Depreciation expense and amortization charged to:		
Cost of sales	46	202
Marketing and selling expenses	6,321	7,855
General and administrative expenses	6,513	7,274
	12,880	15,331