KİLER ALIŞVERİŞ
HİZMETLERİ GIDA SANAYİ
VE TİCARET A.Ş.
CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED
01.01. – 31.03.2013

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KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONDENSED CONSOLIDATED FINANCIAL POSITION
AT 31.03.2013 AND 31.12.2012

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

	Notes	Unaudited 31.03.2013	Audited 31.12.2012
ASSETS			
Current assets			
Cash and cash equivalents	4	50,061	43,016
Financial investments		250	--
Trade receivables			
- Related parties	26	30,539	29,284
- Third parties	7	451	3,083
Other receivables			
- Related parties	26	74,358	77,747
- Third parties	8	826	1,337
Inventories	9	317,806	317,926
Other assets	16	33,519	19,496
Total current assets		**507,810**	**491,889**
Non-current assets			
Financial investments	5	54	54
Investment property	10	58,241	58,241
Property, plant and equipment	11	149,353	152,155
Intangible assets	12	542	581
Goodwill	13	72,985	72,985
Deferred tax asset	24	12,581	11,545
Other assets	16	5,242	2,493
Total non-current assets		**298,998**	**298,054**
Total assets		**806,808**	**789,943**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONDENSED CONSOLIDATED FINANCIAL POSITION
AT 31.03.2013 AND 31.12.2012

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

	Notes	Unaudited 31.03.2013	Audited 31.12.2012
LIABILITIES AND EQUITY			
Current liabilities			
Financial liabilities	6	270,167	234,974
Trade payables			
- Related parties	26	2,638	5,331
- Third parties	7	212,353	203,346
Other payables			
- Related parties	26	630	630
- Third parties	8	27,296	25,376
Provisions	14.a	9,607	9,743
Other liabilities	16	7,949	6,014
Total current liabilities		**530,640**	**485,414**
Non-current liabilities			
Financial liabilities	6	37,502	56,713
Trade payables			
- Third parties	7	2,819	681
Other payables			
- Third parties	8	--	5,688
Employee termination benefits	15	7,413	6,572
Deferred tax liability	24	16,081	16,028
Total non-current liabilities		**63,815**	**85,682**
Equity			
Share capital	17.a	134,620	134,620
Share premium	17.b	66,150	66,150
Revaluation fund	17.c	19,591	19,597
General reserves	17.d	(1,977)	(7,647)
Net profit (loss) for the period		(6,414)	5,664
Non-controlling interests		**383**	**463**
Total equity		**212,353**	**218,847**
Total liabilities and equity		**806,808**	**789,943**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONDENSED CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31.03.2013 AND 31.03.2012

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

	Notes	Unaudited 01.01.- 31.03.2013	Unaudited 01.01.- 31.03.2012
Continuing operations			
Revenue	18	227,515	231,230
Cost of sales (-)	18	(171,986)	(165,995)
Gross profit		**55,529**	**65,235**
Marketing, selling and distribution expenses (-)	19	(43,935)	(43,435)
General administrative expenses (-)	19	(9,273)	(9,687)
Income from other operations	21	798	461
Expense from other operations (-)	21	(609)	(942)
Operating profit		**2,510**	**11,632**
Financial income	22	1,773	12,497
Financial expenses (-)	23	(11,567)	(13,206)
Profit (loss) before taxation from continuing operations		**(7,284)**	**10,923**
Taxation expense from continuing operations			
Corporation tax expense (-)	24	(193)	(1,091)
Deferred tax income (expense)	24	983	(1,569)
Profit (loss) from continuing operations		**(6,494)**	**8,263**
Other comprehensive income		--	--
Total comprehensive income (expense)		**(6,494)**	**8,263**
Net profit (loss) attributable to:			
Non-controlling interests		(80)	126
Equity holders of the Company		(6,414)	8,137
Total comprehensive income (loss) attributable to:			
Non-controlling interests		(80)	126
Equity holders of the Company		(6,414)	8,137
Earnings per share (loss)	**25**	**(0.0476)**	**0.0604**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY
FOR THE PERIODS ENDED 31.03.2013 AND 31.12.2012

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

	Share capital	Share premium	Revaluation fund	General reserves	Net profit (loss) for the period	Non-controlling interests	Total equity
Balances at 01.01.2012	**134,620**	**66,150**	**14,309**	**5,344**	**(13,001)**	**578**	**208,000**
Comprehensive income:							
Net profit for the year	--	--	--	--	5,664	(115)	**5,549**
Other comprehensive income:							
Changes in revaluation fund	--	--	5,298	--	--	--	**5,298**
Total comprehensive income	**--**	**--**	**5,298**	**--**	**5,664**	**(115)**	**10,847**
Transfer to general reserves	--	--	--	(13,001)	13,001	--	**--**
Depreciation on buildings measured with fair value	--	--	(10)	10	--	--	**--**
Balances at 31.12.2012	**134,620**	**66,150**	**19,597**	**(7,647)**	**5,664**	**463**	**218,847**
Comprehensive income:							
Net loss for the period	--	--	--	--	(6,414)	(80)	**(6,494)**
Other comprehensive income:	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total comprehensive expense	**--**	**--**	**--**	**--**	**(6,414)**	**(80)**	**(6,494)**
Transfer to general reserves	--	--	--	5,664	(5,664)	--	**--**
Depreciation on buildings measured with fair value	--	--	(6)	6	--	--	**--**
Balances at 31.03.2013	**134,620**	**66,150**	**19,591**	**(1,977)**	**(6,414)**	**383**	**212,353**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONSOLIDATED CASH FLOW
FOR THE PERIODS ENDED 31.03.2013 AND 31.03.2012

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

	Notes	Unaudited 01.01.- 31.03.2013	Unaudited 01.01.- 31.03.2012
Profit (loss) before taxation		**(7,284)**	**10,923**
Adjustments to reconcile profit (loss) before taxation to net cash provided from operating activities	29	13,212	4,257
Operating profit before changes in working capital		**5,928**	**15,180**
Changes in operating assets and liabilities	29	(8,439)	3,102
Taxes paid		(193)	(29)
Net cash flows provided by (used in) operating activities		**(2,704)**	**18,253**
Cash flows from investing activities			
Purchases of property, plant and equipment	11	(1,461)	(1,372)
Purchases of intangible assets	12	--	(3)
Proceeds from sale of property, plant and equipment		399	82
Financial investments		(250)	--
Net cash used in investing activities		**(1,312)**	**(1,293)**
Cash flows from financing activities			
Repayments of borrowings		(55,015)	(42,031)
Proceeds from borrowing		66,186	86,933
Interest paid		(5,028)	(7,180)
Foreign exchange gains		391	56
Foreign exchange losses		(188)	(2,724)
Interest income		1,326	3,028
Other receivables from related parties		3,389	(36,375)
Other payables to related parties		--	(9)
Net cash provided by financing activities		**11,061**	**1,698**
Net increase in cash and cash equivalents		7,045	18,658
Cash and cash equivalents at beginning of period		43,016	42,008
Cash and cash equivalents at end of period	**4**	**50,061**	**60,666**

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

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 31.03.2013, Kiler has 136 stores (31.12.2012: 135) and together with its consolidated subsidiary total number of stores is 209 (31.12.2012: 202).

As at 31.03.2013, Kiler has 3,527 employee (31.12.2012: 3,625).

Kiler's registered address is Namık Kemal Neighborhood, Kiler Road, Number: 96 Floor: 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'').

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. and is engaged in retail sale. In 2005 47% of the shares of Canerler Gıda (new name Kiler Ankara) were sold to the Kiler Alışveriş. In 2011 Kiler Alışveriş is purchased shares from Canerler family again and the percentage is increased from 47% to 96%. As at 31.03.2013, there were 73 stores in Ankara (under the banner of Kiler) (31.12.2012:67).

As at 31.03.2013, the number of personnel employed was 1,675 (31.12.2012: 1,712).

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of preparation
The consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting principles issued by the CMB, namely "CMB Financial Reporting Standards". CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with Communiqué XI, No. 29," Principles of Financial Reporting in Capital Markets". The Communiqué is effective for the annual periods starting from 1 January 2008. According to the Communiqué, the entities shall prepare their financial statements in accordance with the International Financial Reporting Standards ("IAS" / "IFRS") endorsed by the European Union ("EU"). Until the differences of the IAS / IFRS as endorsed by EU from the ones issued by the International Accounting Standards Board ("IASB") are announced by the Turkish Accounting Standards Board ("TASB"), IAS / IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS" / "TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for the companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies" issued by the IASB, has not been applied in the financial statements for the accounting year commencing from 1 January 2005.

As the differences of the IAS / IFRS endorsed by EU from the ones issued by the IASB have not been announced by TASB as of the date of the preparation of these consolidated financial statements, the consolidated financial statements have been prepared within the framework of Communiqué XI, No. 29 and related promulgations to this Communiqué as issued by the CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS / IFRS. The consolidated financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB with the announcements dated 14 April 2008 and 9 January 2009 including the compulsory disclosures.

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

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.

All business combinations have been accounted for by applying the purchase method by the Group. The result of operations of subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or the date of disposal respectively.

The consolidated subsidiary is detailed below;

	Economic interest (%)		**Ownership interest rate (%)**	
Consolidated company	**31.03.2013**	**31.12.2012**	**31.03.2013**	**31.12.2012**
Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş.	96	96	96	96

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.

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 7, 8 and 16.
- 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 2.9).
- 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.
- As explained in note 2.9, 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.

2.9. 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 period comprehensive 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.

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:

	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.

Measurement subsequent to initial recognition
IAS 40 permits entities to choose between the fair value model and the cost model. One method must be adopted for all of an entity's investment property.

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 year in which it arises.

Cost Model
The cost of investment property includes purchase price and directly attributable costs. After initial recognition, investment property is accounted for in accordance with the cost model as set out in IAS 16 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.

	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.

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 consolidated income statement.

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

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

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

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

Leases

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

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.

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 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.

Income taxes

Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax.

Deferred income tax is provided, using the liability method, on all temporary differences at the financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial position date.

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.

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

2.10.1 The new standards, amendments and interpretations which are effective as at 1 January 2013 are as follows:

- IAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income
- IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment)
- IAS 27 Separate Financial Statements (Amended)
- IAS 28 Investments in Associates and Joint Ventures (Amended)
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"
- 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.

2.10.2 Standards issued but not yet effective and not early adopted

- IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)
- IFRS 9 Financial Instruments – Classification and measurement
- IFRS 10 Consolidated Financial Statements (Amended)

Management of the Group anticipates that all of the pronouncements detailed in 2.10.2 above will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Management of the Group has decided that these new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

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 condensed financial statements

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	31.03.2013	31.12.2012
Cash	12,103	10,724
Banks		
- Demand deposit	3,658	1,236
Credit card receivables	34,300	31,056
	50,061	**43,016**

NOTE 5 – FINANCIAL INVESTMENTS

	Percentage %		Amount	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Held for trading				
KBC Gıda Sanayi Ticaret Limited Şirketi	10.85	10.85	54	54

NOTE 6 – FINANCIAL LIABILITIES

Current		
Bank loans		
- TL bank loans	162,716	154,312
- USD bank loans	106,000	79,028
- EURO bank loans	--	234
Leasing payables	1,451	1,400
	270,167	**234,974**
Non-current		
Bank loans		
- TL bank loans	1,530	3,010
- USD bank loans	33,806	51,153
Leasing payables	2,166	2,550
	37,502	**56,713**

The maturity of financial liabilities is listed below:

0 - 3 months	59,392	60,996
3- 12 months	210,775	173,978
1-2 years	27,142	43,178
2-3 years	7,177	9,852
3-4 years	3,183	3,683
	307,669	**291,687**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	31.03.2013	31.12.2012
Current		
Trade receivables		
- Third parties	1,060	3,581
- Related parties (note 26)	31,137	29,765
Notes receivable		
- Third parties	--	167
	32,197	33,513
Unearned interest on receivables (-)		
- Third parties	(3)	(17)
- Related parties (note 26)	(598)	(481)
Provision for doubtful receivables (-)	(606)	(648)
	30,990	**32,367**

Movement of doubtful receivables is given below:

	01.01.- 31.03.2013	01.01.- 31.12.2012
Opening balance, 01 January	**648**	**833**
Charge for the period	--	46
Reversal of unnecessary provision (-)	--	(50)
Doubtful receivables written-off	(42)	(181)
Closing balance, 31 March	**606**	**648**

Trade receivables from third parties maturity is listed below:

	31.03.2013	31.12.2012
Overdue receivables	688	669
Up to 3 months	83	3,044
Between 3-6 months	97	35
Between 6-12 months	192	--
	1,060	**3,748**

Trade receivables from related parties maturity is listed below:

Up to 3 months	12,874	20,392
Between 3-6 months	18,263	9,373
	31,137	**29,765**

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

	31.03.2013	31.12.2012
Current		
Trade payables		
- Third parties	179,467	174,981
- Related parties (note 26)	1,042	4,143
Notes payable		
- Third parties	34,853	30,066
- Related parties (note 26)	1,615	1,221
Other trade payables	117	124
	217,094	210,535
Unearned interest on payables (-)		
- Third parties	(2,084)	(1,825)
- Related parties (note 26)	(19)	(33)
	214,991	**208,677**
Non-current		
Notes payable		
- Third parties	**2,819**	**681**

Trade payables to third parties maturity listed below:

Up to 3 months	193,209	185,714
Between 3-6 months	19,572	17,085
Between 6-12 months	1,656	2,372
More than 1 year	2,819	681
	217,256	**205,852**

Trade payables to related parties maturity listed below:

Up to 3 months	2,460	5,364
Between 3-6 months	197	--
	2,657	**5,364**

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

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

	31.03.2013	**31.12.2012**
Other current receivables		
Other		
- Third parties	3,207	3,701
- Related parties (note 26)	74,358	77,747
	77,565	81,448
Provision for doubtful receivables (-)	(2,381)	(2,364)
	75,184	**79,084**

Movement of doubtful receivables is given below:

	01.01.-31.03.2013	**01.01.-31.12.2012**
Opening balance, 01 January	**2,364**	**2,062**
Charge for the period	19	345
Reversal of unnecessary provision (-)	--	(34)
Doubtful receivables written-off	(2)	(9)
Closing balance, 31 March	**2,381**	**2,364**

	31.03.2013	**31.12.2012**
Other current payables		
Due to personnel	5,022	4,665
Order advances received	51	151
Other		
- Third parties	22,223	20,560
- Related parties (note 26)	630	630
	27,926	**26,006**

Other non-current payables		
Other		
- Third parties	**--**	**5,688**

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

NOTE 9 – INVENTORIES

	31.03.2013	31.12.2012
Raw materials	3,538	3,757
Merchandises	313,771	314,041
Other inventories	497	128
	317,806	**317,926**

NOTE 10 - INVESTMENT PROPERTY

	31.12.2011	Revaluation differences	31.12.2012	Revaluation differences	31.03.2013
Land	1,310	246	1,556	--	1,556
Building	51,107	5,578	56,685	--	56,685
Net book value	**52,417**	**5,824**	**58,241**	**--**	**58,241**

Details of investment property are listed below:

Explanation	Square meters	Square meters leased	Monthly rent	Net book value
Bahçelievler land	838	--	--	1,556
Esenyurt building (sections numbered 8, 15, 17, 18 and 19)	13,074	3,470	17,352 USD	29,330
Esenyurt building (sections numbered 10, 11, 12 and 13)	8,315	8,315	40,314 USD	10,902
Esenyurt building (sections numbered 10, 11, 12 and 13)	2,088	2,088	10,753 USD	2,738
Esenyurt building (sections numbered 10, 11, 12 and 13)	5,553	5,553	28,598 USD	7,281
Esenyurt building (sections numbered 10, 11, 12 and 13)	4,907	4,907	35,772 USD	6,434
	34,775	**24,333**		**58,241**

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

			31.03.2013		31.12.2012	
Bank	Mortgage degree	Foreign currency type	Foreign currency amount	TL equivalent	Foreign currency amount	TL equivalent
Türkiye Halk Bankası A.Ş.	1	USD	22,500	40,696	22,500	40,109
Yapı Kredi Bankası A.Ş.	1	USD	16,500	29,844	16,500	29,413
Yapı Kredi Bankası A.Ş.	2	TL	11,250	11,250	11,250	11,250
Yapı Kredi Bankası A.Ş.	3	TL	3,750	3,750	3,750	3,750

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED 31.03.2013

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	31.12.2011	Addition	Disposal	Revaluation differences	31.12.2012	Addition	Disposal	31.03.2013
Cost								
Land	32,311	--	--	8,648	40,959	--	--	40,959
Buildings	15,423	--	--	(2,680)	12,743	--	--	12,743
Machinery and equipment	3,715	17	--	--	3,732	--	--	3,732
Vehicles	14,444	1,333	(364)	--	15,413	--	(103)	15,310
Furniture and fixtures	134,129	4,156	(30)	--	138,255	610	(184)	138,681
Leasehold improvements	48,560	5,986	--	--	54,546	851	--	55,397
Machinery and equipment under financial leasing	2,953	--	--	--	2,953	--	--	2,953
Vehicles under financial leasing	380	--	--	--	380	--	--	380
Furniture and fixtures under financial leasing	5,961	--	--	--	5,961	--	--	5,961
	257,876	**11,492**	**(394)**	**5,968**	**274,942**	**1,461**	**(287)**	**276,116**
Accumulated depreciation								
Buildings	414	240	--	(654)	--	69	--	69
Machinery and equipment	2,041	254	--	--	2,295	70	--	2,365
Vehicles	7,038	912	(146)	--	7,804	335	(49)	8,090
Furniture and fixtures	74,451	12,069	(30)	--	86,490	2,450	(84)	88,856
Leasehold improvements	19,565	3,928	--	--	23,493	952	--	24,445
Machinery and equipment under financial leasing	581	240	--	--	821	60	--	881
Vehicles under financial leasing	212	38	--	--	250	10	--	260
Furniture and fixtures under financial leasing	983	651	--	--	1,634	163	--	1,797
	105,285	**18,332**	**(176)**	**(654)**	**122,787**	**4,109**	**(133)**	**126,763**
Net book value	**152,591**	**(6,840)**	**(218)**	**6,622**	**152,155**	**(2,648)**	**(154)**	**149,353**

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

As of the report date the Group's land and buildings are mortgaged by banks as follows:

			31.03.2013		31.12.2012	
Bank name	**Mortgage degree**	**Foreign currency type**	**Foreign currency amount**	**TL equivalent**	**Foreign currency amount**	**TL equivalent**
Türkiye Finans Katılım Bankası A.Ş.	1	TL	25,000	25,000	25,000	25,000
Türkiye Halk Bankası A.Ş.	1	USD	22,500	40,696	22,500	40,109
Albaraka Türk Katılım Bankası A.Ş.	1	TL	20,000	20,000	20,000	20,000
Marmara Kurumlar Vergi Dairesi Müdürlüğü	1	TL	2,400	2,400	2,400	2,400
Türkland Bank A.Ş.	1	TL	21,000	21,000	21,000	21,000

NOTE 12 – INTANGIBLE ASSETS

	31.12.2011	Addition	31.12.2012	Addition	31.03.2013
Other intangible assets					
Cost	1,926	29	1,955	--	1,955
Accumulated amortization	(1,184)	(190)	(1,374)	(39)	(1,413)
Net book value	**742**	**(161)**	**581**	**(39)**	**542**

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

NOTE 13 – GOODWILL

	31.03.2013	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.- 31.03.2013	01.01.- 31.12.2012
Opening balance as of 01 January	**72,985**	**73.568**
Goodwill impairment(-)	--	(583)
Closing balance, 31 March	**72.985**	**72.985**

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

NOTE 14 – PROVISIONS, COMMITMENTS AND CONTINGENCIES

14.a Contingent liabilities

	31.03.2013	31.12.2012
Provision of lawsuits	**9,607**	**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 31.03.2013, there are a total of 236 lawsuits and enforcement proceedings opened by the Company amounting to TL 5,181. There are a total of 628 lawsuits and enforcement proceedings which had been filed against the Company amounting to TL 10,783.

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

14.b Commitments and Contingencies

Collaterals, Pledges, Mortgages ("CPM") given by the Group are as follows:

		31.03.2013	31.12.2012
A	On behalf of its own legal entity (*)	184,065	180,845
B	On behalf of fully consolidated subsidiaries	--	--
C	CPM's given on behalf of third parties for ordinary course of business	--	--
D	Other CPM		
	- Given on behalf of shareholders	--	--
	- Given on behalf of related parties except B and C	--	--
	- Given on behalf of third parties except C	--	--
		184,065	**180,845**

(*)Among the CPM position given TL amounting 184,065 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.

As at 31.03.2013, the Group's other CPM to equity ratio is 0% (31.12.2012: 0%).

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

NOTE 15 – EMPLOYEE TERMINATION BENEFITS

	31.03.2013	31.12.2012
Provision for employee termination benefits	**7,413**	**6,572**

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 3,129.25 as of the related balance sheet date, 31.03.2013 (31.12.2012: TL/year 3,033.98).

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

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. As of 31.03.2013 the liability for employment termination benefits was calculated based on an annual real discount rate of 4.29% (31.12.2012: an annual real discount rate of 4.29%) using estimated annual inflation rate of 5% and discount rate of 9.50%.

Provision for employee termination benefits movement is listed below:

	01.01.- 31.03.2013	01.01.- 31.12.2012
Opening balance as of 01 January	**6,572**	**5,107**
Charge for the period	1,241	3,063
Payments (-)	(400)	(1,598)
Closing balance, 31 March	**7,413**	**6,572**

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

NOTE 16 – OTHER ASSETS AND LIABILITIES

	31.03.2013	31.12.2012
Other current assets		
Prepaid expenses	454	553
Prepaid rent expenses	4,642	4,976
Prepaid taxes and funds	605	798
Advances given for business purposes	7,557	7,172
Deposits and guarantees given	729	656
Income accruals	555	227
Advances given	24,927	13,515
Advances given to related parties (note 26)	3,134	745
Other	--	31
	42,603	28,673
Provision for doubtful advances given (-)	(9,084)	(9,177)
	33,519	**19,496**

	31.03.2013	31.12.2012
Other non-current assets		
Prepaid expenses	1	1
Prepaid rent expenses	5,241	2,492
	5,242	**2,493**

The movement of provision for advances given is below:

	01.01.- 31.03.2013	01.01.- 31.12.2012
Opening balance as of 01 January	**9,177**	**8,070**
Charge for the period	17	1,298
Reversal of unnecessary provisions (-)	(25)	(134)
Advances given written-off	(85)	(57)
Closing balance, 31 March	**9,084**	**9,177**

	31.03.2013	31.12.2012
Other current liabilities		
Social security premiums and taxes	7,767	5,832
Deposits and guarantees received	182	182
	7,949	**6,014**

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

NOTE 17 – EQUITY

17.a Share capital

As of 31.03.2013 and 31.12.2012, the composition of shareholders and their respective percentage ownership are summarized as follows:

	Shareholding percentage %		Shareholding amount	
	31.03.2013	**31.12.2012**	**31.03.2013**	**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**

The capital of the Company as at 31.03.2013 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.

Publically 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 on behalf of Akbank T.A.Ş. for Kiler Alışveriş and Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.'s loans. 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 on behalf of ING Bank A.Ş. for Kiler GYO A.Ş.'s bank loans. 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 on behalf of Denizbank A.Ş. for Kiler Holding A.Ş.'s bank loans. 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 o behalf of the lender for the principal loan amount and any type of accrual in terms of the interest and expense.

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

17.b Share premium

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.

	31.03.2013	**31.12.2012**
Share premium	**66,150**	**66,150**

17.c Revaluation fund

Increases of carrying amounts as a result of revaluations recognized directly in the equity are followed in the headings below;

Revaluation fund	**19,591**	**19,597**

17.d General reserves

Legal reserves	1,139	1,139
Extraordinary reserves	11,258	11,258
Previous years' losses	(14,374)	(20,044)
	(1,977)	**(7,647)**

NOTE 18 – SALES AND COST OF SALES

	01.01.-31.03.2013	**01.01.-31.03.2012**
Retail and wholesale sales	198,535	204,846
Other	30,303	28,487
	228,838	233,333
Deductions (-)	(1,323)	(2,103)
	227,515	231,230
Cost of sales (-)	(171,986)	(165,995)
Gross profit	**55,529**	**65,235**

NOTE 19 – MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

Marketing, selling and distribution expenses	43,935	43,435
General administrative expenses	9,273	9,687
	53,208	**53,122**

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

NOTE 20 – OPERATING EXPENSES BREAKDOWN

	01.01.- 31.03.2013	01.01.- 31.03.2012
Marketing, selling and distribution expenses		
Personnel expenses	19,849	18,722
Office expenses	5,411	5,131
Advertisement expenses	1,948	2,669
Rent expenses	10,438	10,024
Repair and maintenance expenses	1,031	934
Packaging expenses	25	77
Security expenses	170	224
Communication expenses	42	31
Fuel oil expenses	517	722
Insurance expenses	172	188
Tax expenses	449	408
Bank expense	149	213
Depreciation and amortization expense	2,039	2,628
Travelling expenses	810	903
Other	885	561
	43,935	**43,435**

General administrative expenses

Personnel expenses	1,997	1,844
Consulting expenses	368	595
Office expenses	437	856
Rent expenses	348	501
Motor vehicle expenses	1,342	1,379
Insurance expenses	142	166
Repair and maintenance expenses	208	171
Communication expenses	295	233
Tax expenses	519	283
Provision for employee termination benefits	1,241	862
Provision for doubtful receivables	36	202
Depreciation and amortization expense	2,095	2,446
Other	245	149
	9,273	**9,687**

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

NOTE 21 – INCOME/EXPENSE FROM OTHER OPERATIONS

	01.01.- 31.03.2013	01.01.- 31.03.2012
Other operating income		
Insurance claim income	445	183
Import tax return	--	55
Profit on sale of property, plant and equipments	256	19
Other	97	204
	798	**461**
Other operating expenses		
Lawsuit expenses	392	541
Tax expenses	--	153
Loss on penalties and claims	156	100
Loss on sale of property, plant and equipments	11	37
Donation expenses	35	5
Other	15	106
	609	**942**

NOTE 22 – FINANCIAL INCOME

Term differences income on credit sale	56	57
Interest income from related parties	1,326	3,028
Foreign exchange gains	391	9,412
	1,773	**12,497**

NOTE 23 – FINANCIAL EXPENSES

Term differences expense on credit purchase	1,516	1,878
Interest and commission expenses	7,769	7,954
Foreign exchange losses	2,258	2,724
Other	24	650
	11,567	**13,206**

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

NOTE 24 - TAX ASSETS AND LIABILITIES

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 periods 31.03.2013 and 31.12.2012 is as follows:

	31.03.2013	**31.12.2012**
Financial position		
Current period corporate tax provision	193	293
Prepaid taxes (-)	(193)	(293)
	--	**--**

	01.01.- 31.03.2013	**01.01.- 31.03.2012**
Income statement		
Current period tax expense	(193)	(1,091)
Deferred tax income (expense)	983	(1,569)
Total tax income (expense)	**790**	**(2,660)**

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

b) Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences between its financial statements as reported for IAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IAS and tax purposes.

The composition of cumulative temporary differences and the related deferred tax assets/liabilities in respect of items for which deferred tax has been provided at the financial position dates using the expected future tax rates were as follows:

	Total temporary differences		**Deferred tax**	
	31.03.2013	**31.12.2012**	**31.03.2013**	**31.12.2012**
Unearned interest on receivables	601	498	120	100
Provision for employee termination benefits	7,413	6,572	1,483	1,314
Provision for doubtful receivables	11,372	11,490	2,274	2,298
Inventories	2,207	2,035	441	407
Cancellation of capitalized financial expense	4,413	5,634	883	1,126
Lawsuit provision	9,607	9,743	1,921	1,949
Taxable loss carried forward	25,527	20,265	5,105	4,053
Confirmation differences	1,534	1,201	307	240
Other	232	288	47	58
Unearned interest on payables	(2,103)	(1,858)	(421)	(371)
Revaluation difference on land and buildings	(16,378)	(16,405)	(3,276)	(3,281)
Revaluation differences on investment property	(10,958)	(10,958)	(2,192)	(2,192)
Difference on depreciation and amortisation	(50,420)	(50,462)	(10,084)	(10,092)
Other	(545)	(459)	(108)	(92)
Deferred tax asset	62,906	57,726	12,581	11,545
Deferred tax liability	(80,404)	(80,142)	(16,081)	(16,028)
Deferred tax asset (liability), net	**(17,498)**	**(22,416)**	**(3,500)**	**(4,483)**

NOTE 25 – EARNINGS PER SHARE

	01.01-31.03.2013	**01.01-31.03.2012**
Net profit/(loss) for the period	(6,494)	8,263
Non-controlling interest's net profit (loss) for the period	80	(126)
Net profit (loss) attributable to shareholders	(6,414)	8,137
Weighted average number of outstanding ordinary shares	134,620,000	134,620,000
Earnings per share, TL full	**(0.0476)**	**0.0604**

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

NOTE 26 - RELATED PARTIES DISCLOSURES

a) Trade receivables from related parties:	**31.03.2013**	**31.12.2012**
Denge Reklam Turizm İnşaat Emlak Gıda Elektrik Elektronik Sanayi ve Ticaret Limited Şirketi	28,732	27,475
KBC Gıda Sanayi ve Ticaret Limited Şirketi	2,141	2,087
Other	264	203
	31,137	29,765
Unearned interest on receivables (-)	(598)	(481)
	30,539	**29,284**

b) Trade payables to related parties:

Current accounts:		
KBC Gıda Sanayi Ticaret Limited Şirketi	--	2,503
Bağcı Sebze Meyve Tarım Ürünleri ve Su Ürünleri Hayvancılık Soğuk Hava Depoculuğu Ticaret Anonim Şirketi	616	616
Other	426	1,024
Notes payable:		
Ümit Kiler Sebze Meyve Komisyoncusu	1,615	1,221
	2,657	5,364
Unearned interest on payables (-)	(19)	(33)
	2,638	**5,331**

c) Other receivables from related parties

Kiler Holding Anonim Şirketi	23,289	28,355
Ümit Kiler	27,878	26,620
Nahit Kiler	21,591	20,706
Other	1,600	2,066
	74,358	**77,747**

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

d) Other payables to related parties	**31.03.2013**	**31.12.2012**
Ümit Kiler	418	418
Kiler Holding Anonim Şirketi	50	50
Kütahya Şeker Fabrikası Anonim Şirketi	162	162
	630	**630**

e) Other current assets to related parties

Kiler Holding Anonim Şirketi	2,332	--
Ümit Kiler Sebze Meyve Komisyoncusu	567	512
Other	235	233
	3,134	**745**

f) Income from related parties	**01.01.-31.03.2013**	**01.01.-31.03.2012**
Denge Reklam Turizm İnşaat Emlak Gıda Elektrik Elektronik Sanayi ve Ticaret Limited Şirketi	--	9,007
Kiler Holding Anonim Şirketi	915	2,318
Other	1,449	1,091
	2,364	**12,416**

g) Expenses to related parties

Denge Reklam Turizm İnşaat Gıda Elektrik Sanayi Limited Şirketi	447	5,157
KBC Gıda Sanayi Ticaret Limited Şirketi	3,284	3,882
Ümit Kiler Sebze Meyve Komisyoncusu	1,944	3,805
Kiler Holding Anonim Şirketi	619	2,757
Other	1,272	2,680
	7,566	**18,281**

h) Remuneration of the management

The total remuneration of the chairman, the members of Board and the top management, amounted to TL 71 for the period ended 31.03.2013 (01.01-31.12.2012: TL 293).

NOTE 27 - NATURES AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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.

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

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:

	31.03.2013	**31.12.2012**
Assets	155	74
Liabilities	(139,807)	(130,414)
Net foreign currency	**(139,652)**	**(130,340)**

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

31.03.2013	USD	EURO	GBP	TL Equivalent
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and				--
bank accounts)	66	14	1	155
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	66	14	1	155
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)	66	14	1	155
10. Trade payables	--	--	--	--
11. Financial liabilities	58,606	--	--	106,001
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	58,606	--	--	106,001
14. Trade payables	--	--	--	--
15. Financial liabilities	18,691	--	--	33,806
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	18,691	--	--	33,806
18. Total liabilities (13+17)	77,297	--	--	139,807
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)	(77,231)	14	1	(139,652)
21. Monetary net foreign currency position /				
(IFRS 7.B23)				
(=1+2a+5+6a-10-11-12a-14-15-16a)	(77,231)	14	1	(139,652)
22. Total fair value of financial	--	--	--	--
instruments for hedge	--	--	--	--
23. Exports	--	--	--	--
24. Imports	--	--	--	--

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED 31.03.2013

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

31.12.2012	**USD**	**EURO**	**GBP**	**TL Equivalent**
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and	20	15	1	74
bank accounts)	--	--	--	--
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)	(73,009)	(84)	1	(130,340)
21. Monetary net foreign currency position /				
(IFRS 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	--	--	--	--

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

Foreign currency sensitivity analyzing table

31.03.2013	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	(13,969)	13,969	(13,969)	13,969
2- Hedging part of USD risk (-)	--	--	--	--
3-USD net effect (1+2)	(13,969)	13,969	(13,969)	13,969
If EURO change 10% against TL:				
4- EURO net assets/liabilities	3	(3)	3	(3)
5- Hedging part of EURO risk (-)	--	--	--	--
6- EURO net effect (4+5)	3	(3)	3	(3)
Total(3+6)	**(13,966)**	**13,966**	**(13,966)**	**13,966**

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**

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.

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 are predicted to reflect the 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 28 - FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTİNG DISCLOSURES)

The carrying value of the Company's financial instruments approximates 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.

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

NOTE 29 – SUPPLEMENTARY CASH FLOW INFORMATION

	01.01.- 31.03.2013	01.01.- 31.03.2012
Adjustment to reconcile loss before taxation to net cash provided from operating activities:		
Depreciation and amortization expense	4,148	5,149
Provision for employee termination benefits (note 15)	1,241	862
Profit on sale of property, plant and equipments (note 21)	(256)	(19)
Loss on sale of property, plant and equipments (note 21)	11	37
Changes in provision, net	(136)	(75)
Provision for doubtful receivables, net	36	32
Unearned interest on receivables	103	195
Unearned interest on payables	(245)	(162)
Interest income (note 22)	(1,326)	(3,028)
Interest expense (note 23)	7,769	7,954
Foreign exchange gains (note 22)	(391)	(9,412)
Foreign exchange losses (note 23)	2,258	2,724
	13,212	**4,257**
Net changes in operating assets and liabilities		
Trade receivables	1,274	(7,820)
Inventories	120	(10,233)
Other receivables	492	(638)
Other assets	(16,789)	1,065
Trade payables	8,697	23,944
Other payables	(3,768)	(3,660)
Other liabilities	1,935	750
Payment of employee termination benefits (note 15)	(400)	(306)
Net cash flows provided by (used in) operating activities	**(8,439)**	**3,102**
Depreciation expense and amortization charged to:		
Cost of sales	14	75
Marketing, selling and distribution expenses	2,039	2,628
General and administrative expenses	2,095	2,446
	4,148	**5,149**

NOTE 30 - POST BALANCE SHEET EVENTS

The Company won the bid to purchase the 100% shares of Aras Elektrik Dağıtım A.Ş., from the Privatisation Administration of the Prime Ministry of Turkey for USD 128 million on 25.09.2008. Approval of the sale was published in Official Gazette on 08.03.2013.

Aras Elektrik Dağıtım A.Ş. is an electricity distribution company 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. In case the transfer of shares is not permitted Kiler Holding A. Ş. has undertaken to provide in full the funding for the auction amount.

In accordance with the purchase bid, Doğu Aras Enerji Yatırımları Anonim Şirketi's establishment is registered on 16.05.2013 which Kiler Alışveriş has 51% share. The reason of establishment is to acquire Aras Elektrik.