KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş. CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 01.01. – 31.12.2012 TOGETHER WITH AUDITOR'S REPORT

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
INDEPENDENT AUDITOR'S REPORT
AS AT AND FOR THE YEAR ENDED 01.01.-31.12.2012

To the shareholders and to the Board of Directors of
Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş.

We have audited the consolidated financial statements of Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries, which comprise the consolidated financial position as at 31.12.2012 the statements of consolidated income, consolidated comprehensive income, consolidated changes in equity and consolidated cash flow for the year ended 31.12.2012 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and/or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects; the financial position of Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş as at 31.12.2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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

Emre Halit
Partner

İstanbul, 12.04.2013

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STATEMENTS OF CONSOLIDATED FINANCIAL POSITION
AT 31.12.2012 AND 31.12.2011

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

	Notes	Audited 31.12.2012	Audited 31.12.2011
ASSETS			
Current assets			
Cash and cash equivalents	4	43,016	42,008
Trade receivables			
- Trade receivables from related parties	26	29,284	1,485
- Trade receivables from third parties	7	3,083	2,264
Other receivables			
- Other receivables from related parties	26	77,747	95,876
- Other receivables from third parties	8	1,337	1,218
Inventories	9	317,926	278,129
Other assets	16	19,496	15,695
Total current assets		**491,889**	**436,675**
Non-current assets			
Financial investments	5	54	54
Investment property	10	58,241	52,417
Property, plant and equipment	11	152,155	152,591
Intangible assets	12	581	742
Goodwill	13	72,985	73,568
Deferred tax asset	24	11,545	14,871
Other assets	16	2,493	5,562
Total non-current assets		**298,054**	**299,805**
Total assets		**789,943**	**736,480**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONSOLIDATED FINANCIAL POSITION
AT 31.12.2012 AND 31.12.2011

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

	Notes	Audited 31.12.2012	Audited 31.12.2011
LIABILITIES AND EQUİTY			
Current liabilities			
Financial liabilities	6	234,974	222,791
Trade payables			
- Trade payables to related parties	26	5,331	2,617
- Trade payables to third parties	7	203,346	143,581
Other payables			
- Other payables to related parties	26	630	777
- Other payables to third parties	8	25,376	18,932
Taxation on income	24	--	29
Provisions	14.a	9,743	9,026
Other liabilities	16	6,014	8,221
Total current liabilities		**485,414**	**405,974**
Non-current liabilities			
Financial liabilities	6	56,713	71,967
Trade payables			
- Trade payables to third parties	7	681	3,845
Other payables			
- Other payables to third parties	8	5,688	25,989
Employee termination benefits	15	6,572	5,107
Deferred tax liability	24	16,028	15,598
Total non-current liabilities		**85,682**	**122,506**
Equity			
Share capital	17.a	134,620	134,620
Share premium	17.b	66,150	66,150
Revaluation fund	17.c	19,597	14,309
General reserves	17.d	(7,647)	5,344
Net profit (loss) for the year		5,664	(13,001)
Non-controlling interests		**463**	**578**
Total equity		**218,847**	**208,000**
Total liabilities and equity		**789,943**	**736,480**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONSOLIDATED INCOME
FOR THE YEARS ENDED 31.12.2012 AND 31.12.2011

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

	Notes	Audited 01.01.- 31.12.2012	Audited 01.01.- 31.12.2011
Continuing operations			
Revenue	18	943,573	780,528
Cost of sales (-)	18	(692,606)	(543,017)
Gross profit		**250,967**	**237,511**
Marketing, selling and distribution expenses (-)	19	(179,486)	(161,954)
General administrative expenses (-)	19	(39,480)	(36,990)
Income from other operations	21	7,657	4,809
Expense from other operations (-)	21	(4,136)	(10,169)
Operating profit		**35,522**	**33,207**
Financial income	22	24,765	15,502
Financial expenses (-)	23	(52,013)	(63,272)
Profit (loss) before taxation from continuing operations		**8,274**	**(14,563)**
Taxation expense from continuing operations			
Corporation tax expense (-)	24	(293)	(212)
Deferred tax income (expense)	24	(2,432)	1,379
Profit (loss) from continuing operations		**5,549**	**(13,396)**
Net profit attributable to:			
Non-controlling interests		(115)	(395)
Equity holders of the Company		5,664	(13,001)
		5,549	**(13,396)**
Earnings per share, TL full	25	**0.0421**	**(0.0973)**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31.12.2012 AND 31.12.2011

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

	Audited 01.01.- 31.12.2012	**Audited 01.01.- 31.12.2011**
Net profit (loss) for the year	**5,549**	**(13,396)**
Changes in revaluation fund (note11)	6,622	623
Tax effect	(1,324)	(125)
Other comprehensive income	**5,298**	**498**
Total comprehensive income (expense)	**10,847**	**(12,898)**
Total comprehensive income attributable to:		
Non-controlling interests	(115)	(395)
Equity holders of the Company	10,962	(12,503)
	10,847	**(12,898)**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY
FOR THE YEARS ENDED 31.12.2012 AND 31.12.2011

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

	Share capital	Share premium	Revaluation fund	General reserves	Net profit (loss) for the year	Non-controlling interests	Total equity
Balances at 01.01.2011	**121,120**	**--**	**13,811**	**(4,540)**	**9,884**	**12,894**	**153,169**
Comprehensive income:							
Net loss for the year	--	--	--	--	(13,001)	(395)	**(13,396)**
Other comprehensive income:							
Changes in revaluation fund	--	--	498	--	--	--	**498**
Total comprehensive expense	**--**	**--**	**498**	**--**	**(13,001)**	**(395)**	**(12,898)**
Transfer to general reserves	--	--	--	9,884	(9,884)	--	**--**
Cash capital increase	13,500	--	--	--	--	--	**13,500**
Share premium	--	66,150	--	--	--	--	**66,150**
Purchase of additional shares of subsidiary	--	--	--	--	--	(11,921)	**(11,921)**
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**

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CONSOLIDATED CASH FLOW
FOR THE YEARS ENDED 31.12.2012 AND 31.12.2011

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

	Notes	Audited 01.01.- 31.12.2012	Audited 01.01.- 31.12.2011
Profit before taxation		**8,274**	**(14,563)**
Adjustments to reconcile profit (loss) before taxation to net cash provided from operating activities:	29	40,012	63,731
Operating profit before changes in working capital		**48,286**	**49,168**
Changes in operating assets and liabilities	29	(30,327)	(27,128)
Taxes paid		(322)	(294)
Net cash flows provided by operating activities		**17,637**	**21,746**
Cash flows from investing activities			
Purchases of property, plant and equipment	11	(11,492)	(39,276)
Purchases of intangible assets	12	(29)	(444)
Proceeds from sale of property, plant and equipment		252	1,425
Goodwill	13	--	(32,914)
Net cash used in investing activities		**(11,269)**	**(71,209)**
Cash flows from financing activities			
Proceeds from borrowing		(216,872)	(160,150)
Repayments of borrowings		222,076	185,099
Interest paid		(37,713)	(21,431)
Foreign exchange gains		1,703	5,412
Foreign exchange losses		(4,275)	(3,474)
Interest income		11,592	8,441
Other receivables from related parties		18,129	(5,896)
Other payables to related parties		--	(20,798)
Change in the share of non-controlling interests		--	(11,921)
Share capital increase		--	13,500
Share premium		--	66,150
Net cash provided by (used in) financing activities		**(5,360)**	**54,932**
Net increase in cash and cash equivalents		1,008	5,469
Cash and cash equivalents at beginning of year		42,008	36,539
Cash and cash equivalents at end of year	**4**	**43,016**	**42,008**

The accompanying notes are an integral part of these 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 31.12.2012, Kiler has 135 stores (31.12.2011: 125) and together with its consolidated subsidiary total number of stores is 202 (31.12.2011: 193).

As at 31.12.2012, Kiler has 3,625 employees (31.12.2011: 3,376).

Kiler's registered address is Namık Kemal Neighborhood, Kiler Road, Number: 96 Floor: 4 Esenyurt, Istanbul.

In the accompanying consolidated financial statements, Kiler Al ışveriş 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 G ıda (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 31.12.2012, there were 67 stores in Ankara (under the banner of Kiler) (31.12.2011:68).

As at 31.12.2012, the number of personnel employed was 1,712 (31.12.2011: 1,641).

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 Presentation

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	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
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.

- As for the diminution in value of inventories, all inventories are subjected to review and their usage possibility ascertained on the basis of the opinion of the technical personnel; provisions are set aside for items expected not to have usage possibility. Calculation of net realizable values of stocks is based on selling prices as disclosed by selling price lists after deduction of average discounts given during the year and selling expenses to be incurred for the realization of stocks. If the net realizable value of any inventory falls under its cost price appropriate provisions are accordingly set aside (note 9).

- 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).

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

- 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. Those projections are calculated in terms of TL. Discount rate used to calculate the present value of net cash flows is 6.22% annually, after tax (note 13).

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

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

2.10.1 Standards, amendments and interpretations effective in 2012:

- IAS 12 (Amendment) "Income Taxes: Recovery of Underlying Assets"
- IFRS 7 (Amendment) "Financial Instruments-Disclosures –Transfer of Financial Assets"

2.10.2 Standards, amendments and interpretations effective after 31 December 2012 but not early adopted by the Group:

- IAS 1 (Amendment) "Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income"
- IAS 19 (Amendment) "Employee Benefits"
- IAS 27 (Amendment) "Separate Financial Statements"
- IAS 28 (Amendment) "Investments in Associates and Joint Ventures"
- IAS 32 (Amendment) "Financial Instruments: Presentation- Offsetting of Financial Assets and Financial Liabilities"
- IFRS 7 (Amendment) "Financial Instruments-Disclosures-Offsetting of Financial Assets and Financial Liabilities"
- IFRS 9 "Financial Instruments- Classification and measurement"
- 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"

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 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

	31.12.2012	**31.12.2011**
Cash	10,724	9,003
Banks		
- Demand deposit	1,236	4,905
Credit card receivables	31,056	28,100
	43,016	**42,008**

NOTE 5 – FINANCIAL INVESTMENTS

	Percentage (%)		**Amount**	
	31.12.2012	**31.12.2011**	**31.12.2012**	**31.12.2011**
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	154,312	123,381
- USD bank loans	79,028	93,030
- EURO bank loans	234	5,176
Leasing payables	1,400	1,204
	234,974	**222,791**
Non-current		
Bank loans		
- TL bank loans	3,010	4,267
- USD bank loans	51,153	63,752
Leasing payables	2,550	3,948
	56,713	**71,967**

The maturity of financial liabilities is listed below:

0 - 3 months	60,996	44,888
3- 12 months	173,978	177,903
1-2 years	43,178	41,530
2-3 years	9,852	29,472
3-4 years	3,683	965
	291,687	**294,758**

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

As of 31.12.2012, the detail of financial liabilities is listed below (leasing payables are excluded):

	Currency	Maturity	Nominal amount	Book Amount
Loan under guarantee (3)	TL	27.03.2013	1,700	1,702
Loan under guarantee (3) (*)	USD	03.04.2013	26,739	26,760
Loan under guarantee (3)	TL	28.09.2013	1,650	1,652
Loan under guarantee (3)	TL	26.06.2013	188	188
Loan under guarantee (3)	TL	26.06.2013	269	269
Loan under guarantee (3)	USD	03.07.2014	56,025	57,341
Loan under guarantee (3)	TL	23.03.2013	1,663	1,668
Loan under guarantee (3)	TL	26.06.2013	375	376
Loan under guarantee (3)	TL	18.04.2013	425	437
Loan under guarantee (3)	TL	25.12.2013	1,950	1,953
Loan under guarantee (3)	TL	27.12.2013	980	981
Loan under guarantee (3)	TL	11.09.2013	14,000	14,610
Loan under guarantee (9)	TL	06.04.2013	730	737
Loan under guarantee (9)	TL	12.08.2013	981	990
Loan under guarantee (9)	TL	06.05.2013	905	914
Loan under guarantee (9)	TL	29.03.2013	166	166
Loan under guarantee (9)	TL	29.04.2013	388	389
Loan under guarantee (9)	TL	06.08.2013	814	821
Loan under guarantee (9)	TL	19.03.2014	894	899
Loan under guarantee (9)	TL	10.06.2013	57	58
Loan under guarantee (9)	TL	11.03.2014	1,564	1,582
Loan under guarantee (9)	TL	30.09.2013	29	29
Loan under guarantee (9)	TL	20.06.2013	306	307
Loan under guarantee (9)	TL	22.01.2014	510	512
Loan under guarantee (9)	TL	30.04.2013	39	39
Loan under guarantee (9)	TL	24.02.2014	138	138
Loan under guarantee (9)	TL	03.10.2014	1,493	1,510
Loan under guarantee (1)	TL	24.01.2013	49	49
Loan under guarantee (1)	TL	08.05.2729	303	303
Loan under guarantee (1)	USD	23.12.2013	1,783	1,799
Loan under guarantee (1)	TL	23.08.2193	1,192	1,205
Loan under guarantee (1)	TL	13.01.2014	1,211	1,223
Loan under guarantee (1)	USD	10.12.2013	2,749	2,782
Loan under guarantee (1)	USD	13.12.2013	1,080	1,090
Loan under guarantee (1)	EURO	01.03.2013	232	234
Loan under guarantee (1)	TL	16.12.2013	2,000	2,007
Loan under guarantee (1)	TL	26.04.2013	1,490	1,632
Loan under guarantee (1)	TL	02.01.2013	5,700	6,648
Loan under guarantee (2)	USD	13.11.2016	4,991	5,041
Loan under guarantee (2)	USD	20.12.2016	5,883	5,895
Loan under guarantee (2)	TL	13.09.2013	3,900	3,900
Loan under guarantee (2)	USD	02.09.2016	4,991	5,118
Loan under guarantee (2)	USD	23.09.2015	6,952	7,099
Loan under guarantee (2)	USD	21.08.2015	8,913	9,165
Sub total			**168,397**	**172,218**

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

	Currency	Maturity	Nominal amount	Book amount
Subtotal (continuing from previous page)			**168,397**	**172,218**
Loan under guarantee (4)	TL	08.08.2013	10,000	10,000
Loan under guarantee (4)	TL	03.07.2013	4,600	4,600
Loan under guarantee (4)	TL	31.12.2013	5,000	5,000
Loan under guarantee (4)	TL	10.05.2013	5,000	5,000
Loan under guarantee (4)	TL	26.08.2013	5,000	5,000
Loan under guarantee (4)	TL	30.08.2013	5,000	5,000
Loan under guarantee (4)	TL	31.12.2013	7,000	7,000
Loan under guarantee (10)	TL	10.04.2013	5,000	5,163
Loan under guarantee (8)	USD	14.05.2014	2,033	2,038
Loan under guarantee (8)	TL	18.10.2013	244	245
Loan under guarantee (8)	TL	22.07.2013	187	187
Loan under guarantee (8)	TL	11.03.2013	35	35
Loan under guarantee (8)	TL	25.03.2013	35	35
Loan under guarantee (8)	TL	09.12.2013	1,619	1,633
Loan under guarantee (8)	TL	04.01.2013	11	11
Loan under guarantee (8)	TL	14.03.2013	9	9
Loan under guarantee (8)	TL	21.03.2013	12	12
Loan under guarantee (7)	TL	04.07.2013	10,500	10,500
Loan under guarantee (5)	TL	03.01.2013	1,262	1,262
Loan under guarantee (6)	TL	19.01.2013	10,000	11,871
Loan under guarantee (6)	TL	10.02.2013	2,000	2,000
Loan under guarantee (5)	USD	03.01.2014	943	948
Loan under guarantee (6)	TL	30.09.2013	5,000	5,005
Loan under guarantee (5)	USD	03.01.2014	662	666
Loan under guarantee (6)	USD	03.01.2014	4,412	4,439
Loan under guarantee (9)	TL	22.01.2014	298	299
Loan under guarantee (9)	TL	19.03.2014	807	812
Loan under guarantee (9)	TL	03.10.2014	720	728
Loan under guarantee (9)	TL	10.10.2014	670	676
Loan under guarantee (9)	TL	31.10.2014	778	778
Loan under guarantee (9)	TL	08.10.2014	1,424	1,439
Loan under guarantee (9)	TL	06.08.2013	352	355
Loan under guarantee (9)	TL	20.06.2013	194	195
Loan under guarantee (1)	TL	03.01.2013	636	636
Loan under guarantee (1)	TL	30.09.2013	10,000	10,000
Loan under guarantee (1)	TL	05.09.2013	5,000	5,001
Loan under guarantee (1)	TL	06.09.2013	5,000	5,001
Loan under guarantee (8)	TL	30.09.2013	1,901	1,904
Loan under guarantee (8)	TL	04.01.2013	36	36
			281,777	**287,737**

(*) Bank loan has borrowed for Kiler Holding A.Ş. and passed to Kiler Holding A.Ş.

(1) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee.
(2) Obtained with Kiler Holding A.Ş.'s and other shareholders' guarantee and a mortgage of sections numbered 8, 9, 14, 15, 17, 18 and 19 of the Esenyurt building.
(3) Kiler Holding A.Ş. and other shareholders of Kiler Alışveriş pledged 66% of Kiler Alışveriş shares on behalf of the lender (Note 17).
(4) Kiler Holding A.Ş. and Sevgül Kiler pledged 9% of Kiler Alışveriş shares on behalf of the lender (Note 17).
(5) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of Şirinevler store.
(6) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of sections numbered 10, 11, 12 and 13 of the Esenyurt building.
(7) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of Kavacık land.
(8) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of Başakşehir building.
(9) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of Kartal building and Şirinevler store.
(10) Obtained with Kiler Holding A.Ş.'s guarantee.

As of 31.12.2012 average effective rates are 16.15% for financial liabilities in TL, 6.17% for financial liabilities in USD and 7.80% for financial liabilities in EURO.

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

As of 31.12.2011, the detail of financial liabilities is listed below (Leasing payables are excluded):

	Currency	Maturity	Nominal Balance	Book Value
Loan under guarantee (1)	TL	11.04.2012	850	850
Loan under guarantee (3)	USD	03.07.2014	89,048	91,274
Loan under guarantee (3) (*)	USD	09.07.2012	37,778	39,015
Loan under guarantee (8)	TL	10.07.2012	30	31
Loan under guarantee (8)	TL	07.12.2012	18	18
Loan under guarantee (8)	EURO	18.10.2012	31	31
Loan under guarantee (8)	TL	22.06.2012	158	159
Loan under guarantee (1)	TL	06.04.2012	1,490	1,619
Loan under guarantee (6)	USD	31.08.2012	10,125	10,412
Loan under guarantee (6)	TL	15.09.2012	4,000	4,001
Loan under guarantee (4)	TL	01.10.2012	18,400	18,941
Loan under guarantee (4)	TL	28.09.2012	3,750	3,750
Loan under guarantee (4)(**)	TL	06.08.2012	20,000	20,000
Loan under guarantee (8)	TL	04.01.2013	129	130
Loan under guarantee (8)	TL	21.04.2012	5	5
Loan under guarantee (8)	TL	11.03.2013	165	166
Loan under guarantee (8)	TL	25.03.2013	166	166
Loan under guarantee (8)	TL	21.03.2013	55	55
Loan under guarantee (8)	TL	14.03.2013	44	44
Loan under guarantee (8)	TL	14.06.2012	39	39
Loan under guarantee (9)	EURO	11.07.2012	5,129	5,144
Loan under guarantee (2)	USD	03.01.2014	10,908	10,973
Loan under guarantee (5)	USD	03.01.2014	2,330	2,344
Loan under guarantee (5)	USD	03.01.2014	1,636	1,646
Loan under guarantee (1) (*)	TL	06.07.2012	5,000	5,000
Loan under guarantee (1)	TL	05.07.2012	7,500	7,500
Loan under guarantee (8)	TL	09.07.2012	41	41
Loan under guarantee (1)	TL	31.12.2012	5,000	5,355
Loan under guarantee (1)	TL	09.12.2013	3,000	3,027
Loan under guarantee (1)	TL	31.01.2013	3,000	3,024
Loan under guarantee (1)	TL	07.12.2012	2,000	2,018
Loan under guarantee (4)	TL	07.10.2012	7,000	7,225
Loan under guarantee (2)	TL	14.11.2012	11,000	11,228
Loan under guarantee (10)	TL	12.08.2013	2,000	2,020
Loan under guarantee (8)	TL	13.12.2012	21	21
Loan under guarantee (7)	TL	31.03.2012	6,250	6,250
Loan under guarantee (4)	TL	09.09.2012	10,000	10,419
Loan under guarantee (4)	TL	27.09.2012	10,000	10,360
Loan under guarantee (8)	TL	04.01.2013	438	495
Loan under guarantee (8)	TL	10.07.2012	30	31
Loan under guarantee (10)	USD	16.07.2012	1,116	1,119
Loan under guarantee (9)	TL	30.09.2013	3,600	3,660
			283,280	**289,606**

(*) Bank loan has borrowed for Kiler Holding A.Ş. and passed to Kiler Holding A.Ş.
(**) %89 of this bank loan has borrowed for Kiler Holding A.Ş. and passed to Kiler Holding A.Ş.

(1) Obtained with Kiler Holding A.Ş. and other shareholders' guarantee.
(2) The sections numbered 8, 9, 14, 15, 17, 18 and 19 of the Esenyurt head office building of Kiler Alışveriş have been mortgaged.
(3) Kiler Holding A.Ş., the shareholders of Kiler Alışveriş, and other shareholders pledged 66% of Kiler Alışveriş shares on behalf of the lender (Note 17).
(4) Kiler Holding A.Ş., the shareholders of Kiler Alışveriş, pledged 9% of Kiler Alışveriş shares on behalf of the lender (Note 17).
(5) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of Şirinevler store.
(6) The sections numbered 10, 11, 12 and 13 of the Esenyurt head office building of Kiler Alışveriş have been mortgaged.
(7) POS accounts of the Company are primarily charged by the bank under the condition of keeping the most recent installment and releasing the remaining balance free.
(8) Obtained with a mortgage on vehicles.
(9) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of Başakşehir building.
(10) Obtained with Kiler Holding A.Ş.'s guarantee and a mortgage of Kartal building and Şirinevler store.

As of 31.12.2011 average effective rates are 16.11% for financial liabilities in TL, 6.16% for financial liabilities in USD and 5.87% for financial liabilities in EURO.

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	31.12.2012	31.12.2011
Current		
Trade receivables		
- Third parties	3,581	2,859
- Related parties (note 26)	29,765	1,511
Notes receivable		
- Third parties	167	294
	33,513	4,664
Unearned interest on receivables (-)		
- Third parties	(17)	(56)
- Related parties (note 26)	(481)	(26)
Provision for doubtful receivables (-)	(648)	(833)
	32,367	**3,749**

Movement of doubtful receivables is given below:

	01.01.- 31.12.2012	01.01.- 31.12.2011
Opening balance, 01 January	**833**	**670**
Charge for the year	46	163
Reversal of unnecessary provision (-)	(50)	--
Doubtful receivables written-off	(181)	--
Closing balance, 31 December	**648**	**833**

Trade receivables from third parties maturity is listed below:

	31.12.2012	31.12.2011
Overdue receivables	669	833
Up to 3 months	3,044	1,820
Between 3-6 months	35	500
	3,748	**3,153**

Trade receivables from related parties maturity is listed below:

Up to 3 months	20,392	812
Between 3-6 months	9,373	699
	29,765	**1,511**

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

	31.12.2012	31.12.2011
Current		
Trade payables		
- Third parties	174,981	127,617
- Related parties (note 26)	4,143	1,590
Notes payable		
- Third parties	30,066	18,061
- Related parties (note 26)	1,221	1,065
Other trade payables	124	184
	210,535	148,517
Unearned interest on payables (-)		
- Third parties	(1,825)	(2,281)
- Related parties (note 26)	(33)	(38)
	208,677	**146,198**
Non-current		
Notes payable		
- Third parties	**681**	**3,845**

Trade payables to third parties maturity listed below:

Up to 3 months	185,714	134,727
Between 3-6 months	17,085	8,901
Between 6-12 months	2,372	2,234
More than 1 year	681	3,845
	205,852	**149,707**

Trade payables to related parties maturity listed below:

Up to 3 months	**5,364**	**2,655**

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

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

	31.12.2012	31.12.2011
Other current receivables		
Other		
- Third parties	3,701	3,280
- Related parties (Note 26)	77,747	95,876
	81,448	99,156
Provision for doubtful receivables (-)	(2,364)	(2,062)
	79,084	**97,094**

Movement of doubtful receivables is given below:

	01.01.- 31.12.2012	01.01.- 31.12.2011
Opening balance, 01 January	**2,062**	**2,058**
Charge for the year	345	460
Reversal of unnecessary provision (-)	(34)	(402)
Doubtful receivables written-off	(9)	(54)
Closing balance, 31 December	**2,364**	**2,062**

	31.12.2012	31.12.2011
Other current payables		
Due to personnel	4,665	4,050
Order advances received	151	33
Other		
- Third parties	20,560	14,849
- Related parties (note 26)	630	777
	26,006	**19,709**
Other non-current payables		
Other		
- Third parties	**5,688**	**25,989**

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

NOTE 9 – INVENTORIES

	31.12.2012	**31.12.2011**
Raw materials	3,757	4,675
Merchandises	314,041	274,314
Other inventories	128	115
Provision for diminution in value (-)	--	(975)
	317,926	**278,129**

The movement of provision for inventories is detailed below:

	01.01.- 31.12.2012	**01.01.- 31.12.2011**
Opening balance, 01 January	**975**	**313**
Charge for the year	--	975
Reversal of unnecessary provision (-)	(975)	(313)
Closing balance, 31 December	**--**	**975**

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

NOTE 10- INVESTMENT PROPERTY

	31.12.2010	Revaluation differences	31.12.2011	Revaluation differences	31.12.2012
Land	1,214	96	1,310	246	1,556
Building	47,970	3,137	51,107	5,578	56,685
Net book value	**49,184**	**3,233**	**52,417**	**5,824**	**58,241**

Details of the revaluation transaction for 2012 are given below;

Explanation	Expert company	Expert report date	Report number	Net book value	Fair value	Increase in value
Bahçelievler land (1)	Arge Gayrimenkul Değerleme ve Danışmanlık A,Ş.	27.02.2013	2013_0135	1,310	1,556	246
Esenyurt building (sections numbered 8, 15, 17, 18 and 19) (2)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2013	2013_0134	24,136	29,330	5,194
Esenyurt building (sections numbered 10, 11, 12 and 13) (3)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2013	2013_0134	26,971	27,355	384
				52,417	**58,241**	**5,824**

(1) Bahçelievler land
The building is in the province of Istanbul, Bahçelievler, Kocasinan, 1 plot, 15704 parcel is a common property. According to the sales promise contracts 8 of 18 shares has been bought by Kiler Al ışveriş The net book value of this asset as of 31.12.2012 was TL 1,310 and the fair value was TL 1,556. The increase in value amounting TL 246 has been reflected in the other income in the comprehensive income statement.

(2) Esenyurt building (sections numbered 8, 15, 17, 18 and 19)
The building is registered in Istanbul, Esenyurt on a 347 block on 10 parcel and consists of office sections which have closed are of 13,074 m^2. The net book value of this asset as of 31.12.2012 was TL 24,136 and the fair value was TL 29,330. The increase in value amounting TL 5,194 has been reflected in the other income in the comprehensive income statement.

(3) Esenyurt building (sections numbered 10, 11, 12 and 13)
The building is registered in Istanbul, Esenyurt on a 347 block on 10 parcel and consists of warehouse sections which have closed are of 20,863 m^2. The net book value of this asset as of 31.12.2012 was TL 26,971and the fair value was TL 27,355. The increase in value amounting TL 384 has been reflected in the other income in the comprehensive income statement.

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

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:

			31.12.2012		31.12.2011	
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	40,109	22,500	42,500
Yapı Kredi Bankası A.Ş.	1	USD	16,500	29,413	16,500	31,167
Yapı Kredi Bankası A.Ş.	2	TL	11,250	11,250	--	--
Yapı Kredi Bankası A.Ş.	3	TL	3,750	3,750	--	--

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	31.12.2010	Additions	Disposals	Revaluation differences	31.12.2011	Additions	Disposals	Revaluation differences	31.12.2012
Cost									
Land	21,311	11,491	--	(491)	32,311	--	--	8,648	40,959
Buildings	14,940	--	--	483	15,423	--	--	(2,680)	12,743
Machinery and equipment	3,691	24	--	--	3,715	17	--	--	3,732
Vehicles	14,206	2,337	(2,099)	--	14,444	1,333	(364)	--	15,413
Furniture and fixtures	121,962	12,167	--	--	134,129	4,156	(30)	--	138,255
Leasehold improvements	40,527	8,033	--	--	48,560	5,986	--	--	54,546
Machinery and equipment under financial leasing	1,811	1,142	--	--	2,953	--	--	--	2,953
Vehicles under financial leasing	500	--	(120)	--	380	--	--	--	380
Furniture and fixtures under financial leasing	1,879	4,082	--	--	5,961	--	--	--	5,961
	220,827	**39,276**	**(2,219)**	**(8)**	**257,876**	**11,492**	**(394)**	**5,968**	**274,942**
Accumulated depreciation									
Buildings	168	386	--	(140)	414	240	--	(654)	--
Machinery and equipment	1,683	358	--	--	2,041	254	--	--	2,295
Vehicles	6,597	1,311	(870)	--	7,038	912	(146)	--	7,804
Furniture and fixtures	61,697	12,754	--	--	74,451	12,069	(30)	--	86,490
Leasehold improvements	16,228	3,337	--	--	19,565	3,928	--	--	23,493
Machinery and equipment under financial leasing	445	136	--	--	581	240	--	--	821
Vehicles under financial leasing	234	44	(66)	--	212	38	--	--	250
Furniture and fixtures under financial leasing	539	444	--	--	983	651	--	--	1,634
	87,591	**18,770**	**(936)**	**(140)**	**105,285**	**18,332**	**(176)**	**(654)**	**122,787**
Net book value	**133,236**	**20,506**	**(1,283)**	**132**	**152,591**	**(6,840)**	**(218)**	**6,622**	**152,155**

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

Revaluation details of land and buildings in 2012 are listed below;

Explanation	**Expert company**	**Expert report date**	**Report number**	**Net book value**	**Expert value**	**Increase/ (decrease) in value**
Başakşehir land (1)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2013	2013_0137	13,436	16,340	2,904
Kartal land and building (2)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2013	2013_0141	15,138	17,000	1,862
Esenyurt building (sections numbered 9and 14) (3)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2013	2013_0134	7,068	7,885	817
Kağıthane (4)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2013	2013_0140	109	102	(7)
Başakşehir apartment (5)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2013	2013_0136	329	375	46
Kavacık land (6)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2013	2013_0142	11,000	12,000	1,000
				47,080	**53,702**	**6,622**

(1)The Bahçeşehir land is in the province of Istanbul, Esenler, İkitelli, 1266 blocks and parcel number 1 with an area of 5,448m^2. The net book value of this asset as of 31.12.2012 was TL 13,436 and the fair value was TL 16,340. The increase in value amounting TL 2,904 has been shown under the consolidated financial position as revaluation fund.

(2) The Kartal land and building is in the province of Istanbul, Kartal, Yukarı Mahalle, block 568, parcel 21 and the land area consists of 4,315 m^2 structures over that land. The net book value of this asset as of 31.12.2012 was TL 15,138 and the fair value was TL 17,000. The increase in value amounting TL 1,862 has been shown under the consolidated financial position as revaluation fund.

(3) The building is registered in Istanbul Esenyurt 347 block, 10 parcel and consists of office sections which have 3,426 m^2 closed area. The net book value of this asset as of 31.12.2012 was TL 7,068 and the fair value was TL 7,885. The increase in value amounting TL 817 has been shown under the consolidated financial position as revaluation fund.

(4) According to the land registry Kağıthane land and building is in the province Istanbul, Kağıthane, Gürsel, 10301 block with an area of 206 m^2. 136/1236 share belongs to Kiler Alışveriş. The net book value of this asset as of 31.12.2012 was TL 109 and the fair value was TL 102. The decrease in value amounting TL 7 has been shown under the consolidated financial position as revaluation fund.

(5)The Başakşehir residence is in the province of Istanbul, Başakşehir, Hoşdere, 559 block and building plot 1 and consists of 120 m^2 suite. The net book value of this asset as of 31.12.2012 was TL 329 and the fair value was TL 375. The increase in value amounting TL 46 has been shown under the consolidated financial position as revaluation fund.

(6) The Kavacık land is in the province of Istanbul, Beykoz, Çubuklu Mahallesi, block 814, parcel 1 and the land area consists of 2,789 m^2. The net book value of this asset as of 31.12.2012 was TL 11,000 and the fair value was TL 12,000. The increase in value amounting TL 1,000 has been shown under the consolidated financial position as revaluation fund.

(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:

			31.12.2012		31.12.2011	
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	40,109	22,500	42,500
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	--	--
Türkiye Finans Katılım Bankası A.Ş.	1	TL	--	--	1,745	1,745
Albaraka Türk Katılım Bankası A.Ş.	1	TL	--	--	319	319
Asya Katılım Bankası A.Ş.	1	TL	--	--	260	260

NOTE 12 – INTANGIBLE ASSETS

	31.12.2010	Additions	31.12.2011	Additions	31.12.2012
Other intangible assets					
Cost	1,482	444	1,926	29	1,955
Accumulated amortization	(985)	(199)	(1,184)	(190)	(1,374)
Net book value	**497**	**245**	**742**	**(161)**	**581**

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

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

NOTE 13 – GOODWILL

	31.12.2012	**31.12.2011**
Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş.	60,065	60,396
Kiler Trakya Mağazacılık Sanayi ve Ticaret A.Ş.	12,920	13,172
	72,985	**73,568**

Movement of goodwill is as follows:

	01.01.-31.12.2012	**01.01.-31.12.2011**
Opening balance as of 01 January	**73,568**	**43,652**
Purchase of additional shares of subsidiaries	--	32,914
Goodwill impairment(-)	(583)	(2,998)
Closing balance, 31 December	**72,985**	**73,568**

The goodwill amount is related to stores as cash-generating unit by Group management. The recoverable amount of cash-generating unit was determined based on value-in-use calculations. These value-in-use calculations include the discounted after tax cash flow projections, which are based on TL budgets approved by management covering five year period.

The Group management determined the budgeted gross profit margin by taking into consideration the previous performance of the company and the market growth expectations. The discount rate 6.22% used is the after tax discount rate.

As a result of the impairment tests performed under above assumptions TL 583 (2011: TL 2,998) impairment was detected in the goodwill amount as of 31.12.2012. This amount has been deducted from the cash generating unit of the goodwill. The provision of this impairment expense has related to other expenses account in the comprehensive income statement.

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

NOTE 14 – PROVISIONS, COMMITMENTS AND CONTINGENCIES

14.a Contingent liabilities

	31.12.2012	31.12.2011
Provision of lawsuits	**9,743**	**9,026**

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.

Movement of provision of lawsuits during the year is as follows;

	01.01.- 31.12.2012	01.01.- 31.12.2011
Opening balance as of 01 January	**9,026**	**7,869**
Charge for the year	1,831	1,875
Reversal of unnecessary provision (-)	(1,114)	(718)
Closing balance, 31 December	**9,743**	**9,026**

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.

As of 31.12.2011, there are a total of 185 lawsuits and enforcement proceedings opened by the Company amounting to TL 4,557. There are a total of 539 lawsuits and enforcement proceedings which had been filed against the Company amounting to TL 8,580.

14.b Commitments and Contingencies

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

		31.12.2012	31.12.2011
A	On behalf of its own legal entity (*)	180,845	131,273
B	On behalf of fully consolidated subsidiaries	--	--
C	CPM's given on behalf of third parties for ordinary course of business		
D	Other CPM	--	20,000
	- Given on behalf of shareholders	--	--
	- Given on behalf of related parties except B and C	--	20,000
	- Given on behalf of third parties except C	--	--
		180,845	**151,273**

(*)Among the CPM position given TL amounting 180,845 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 Kat ılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş. for bank loans that are already used or will be used by Kiler Al ışveriş 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 31.12.2012, the Group's CPM to equity ratio is 0% (31.12.2011: 10%).

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

NOTE 15 – EMPLOYEE TERMINATION BENEFITS

	31.12.2012	31.12.2011
Provision for employee termination benefits	**6,572**	**5,107**

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 3,033.98 as of the related balance sheet date, 31.12.2012 (31.12.2011: TL/year 2,731.85).

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 31.12.2012 the liability for employment termination benefits was calculated based on an annual real discount rate of 4.29% (31.12.2011: an annual real discount rate of 4.66%) using estimated annual inflation rate of 5% and discount rate of 9.50%.

Provision for employee termination benefits movement is listed below:

	01.01.- 31.12.2012	01.01.- 31.12.2011
Opening balance as of 01 January	**5,107**	**3,849**
Charge for the year	3,063	2,688
Payments (-)	(1,598)	(1,430)
Closing balance, 31 December	**6,572**	**5,107**

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

NOTE 16 – OTHER ASSETS AND LIABILITIES

	31.12.2012	**31.12.2011**
Other current assets		
Prepaid expenses	553	531
Prepaid rent expenses	4,976	5,341
Prepaid taxes and funds	798	591
Advances given for business purposes	7,172	2,849
Deposits and guarantees given	656	619
Income accruals	227	452
Advances given	13,515	13,382
Advances given to related parties (note 26)	745	--
Other	31	--
	28,673	23,765
Provision for advances given	(9,177)	(8,070)
	19,496	**15,695**

Other non-current assets		
Prepaid expenses	1	2
Prepaid rent expenses	2,492	5,560
	2,493	**5,562**

The movement of provision for advances given is below:

	01.01.-31.12.2012	**01.01.-31.12.2011**
Opening balance as of 01 January	**8,070**	**7,774**
Charge for the year	1,298	979
Reversal of unnecessary provisions (-)	(134)	(348)
Advances given written-off	(57)	(335)
Closing balance, 31 December	**9,177**	**8,070**

Other current liabilities		
Social security premiums and taxes	5,832	7,986
Expense accruals	--	57
Deposits and guarantees received	182	178
	6,014	**8,221**

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

NOTE 17 – EQUITY

17.a Share capital

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

	Shareholding percentage %		**Shareholding amount**	
	31.12.2012	**31.12.2011**	**31.12.2012**	**31.12.2011**
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 31.12.2012 was TL 134,620. This capital consisted of 134,620,000, TL 12,000 shares for TL 1 (Krş 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.

In the extraordinary general assembly meeting dated from 15.09.2010, it has been decided that the articles of association of Kiler Alışveriş are amended such as that the registered authorized capital of the Company shall be worth of TL 500,000 consisting of 500,000,000 shares, TL 1 per each share, and the board of directors are authorized to increase the registered share capital between the years 2010 and 2014 up to the authorized level within the rules and regulations and of Capital Market Law.

According to the Company's Main Agreement numbered 6, A group shares are privileged shares. This privileges which are detailed in the Company's articles of association paragraph 8, 10, 13.2 consist of the determination of the Board of directors and auditors and gives right to vote as detailed below.

(*i*) Privilege on voting right of Board of Directors;

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

(*ii)* Privilege on voting right of auditors;

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

(*iii*) Privilege on voting in the General Assembly meetings;

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

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

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 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. 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. 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.

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.

	31.12.2012	**31.12.2011**
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	**19,597**	**14,309**

17.d General reserves

Legal reserves	1,139	1,139
Extraordinary reserves	11,258	11,258
Previous years' profits (losses)	(20,044)	(7,053)
	(7,647)	**5,344**

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

NOTE 18 – SALES AND COST OF SALES

	01.01.-31.12.2012	**01.01.-31.12.2011**
Retail and wholesale sales	829,788	696,229
Other	120,497	95,258
	950,285	791,487
Deductions (-)	(6,712)	(10,959)
	943,573	**780,528**
Cost of sales (-)	(692,606)	(543,017)
Gross profit	**250,967**	**237,511**

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

Marketing, selling and distribution expenses	179,486	161,954
General administrative expenses	39,480	36,990
	218,966	**198,944**

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

NOTE 20 – OPERATING EXPENSES BREAKDOWN

	01.01.- 31.12.2012	**01.01.- 31.12.2011**
Marketing, selling and distribution expenses		
Personnel expenses	75,495	62,486
Office expenses	22,697	19,273
Advertisement expenses	10,957	10,470
Rent expenses	42,049	39,264
Repair and maintenance expenses	5,081	3,723
Packaging expenses	409	624
Security expenses	908	1,201
Communication expenses	242	237
Fuel oil expenses	2,756	2,430
Insurance expenses	754	851
Tax expenses	1,498	1,363
Bank expense	856	1,081
Depreciation and amortization expense	9,486	10,593
Travelling expenses	3,647	3,834
Other	2,651	4,524
	179,486	**161,954**

General administrative expenses		
Personnel expenses	7,594	7,048
Travelling expenses	532	546
Consulting expenses	2,758	3,085
Office expenses	3,771	4,754
Rent expenses	1,006	508
Motor vehicle expenses	5,840	4,876
Insurance expenses	646	577
Repair and maintenance expenses	692	573
Communication expenses	999	887
Tax expenses	1,238	771
Provision for severance pay	3,063	2,688
Provision for doubtful receivables	1,689	1,602
Depreciation and amortization expense	8,803	8,205
Other	849	870
	39,480	**36,990**

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

NOTE 21 – INCOME/EXPENSE FROM OTHER OPERATIONS

	01.01.- 31.12.2012	**01.01.- 31.12.2011**
Other operating income		
Revaluation surplus on investment property	5,824	3,233
Insurance claim income	808	648
Income on sale of property, plant and equipments	86	322
Other	939	606
	7,657	**4,809**

Other operating expenses		
Lawsuit expenses	2,591	2,106
Goodwill impairment expense	583	2,998
Loss on penalties and claims	563	544
Loss on sale of property, plant and equipments	56	180
The taxes payable under act no 6111	--	1,862
Donation expenses	74	28
Previous years' rent expense that paid with court decision	--	875
Diminution in net book value of land and buildings	--	491
Other	269	1,085
	4,136	**10,169**

NOTE 22 – FINANCIAL INCOME

Term differences income on credit sale	442	884
Interest income from related parties	11,592	8,441
Foreign exchange gains	12,727	5,998
Repos income	--	66
Other	4	113
	24,765	**15,502**

NOTE 23 – FINANCIAL EXPENSES

Term differences expense on credit purchase	5,648	6,881
Interest and commission expenses	37,352	22,826
Foreign exchange losses	7,386	32,710
Other	1,627	855
	52,013	**63,272**

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

NOTE 24 – TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX)

After 01 January 2006 the corporation tax rate in Turkey is 20%.

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

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

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

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

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

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

The computation of the statutory taxes for periods 31.12.2012 and 31.12.2011 is as follows:

	31.12.2012	**31.12.2011**
Financial position		
Current year corporate tax provision	293	212
Prepaid taxes (-)	(293)	(183)
	--	**29**

	01.01.-31.12.2012	**01.01.-31.12.2011**
Income statement		
Current year tax expense	(293)	(212)
Deferred tax income (expense)	(2,432)	1,379
Total tax income (expense)	**(2,725)**	**1,167**

(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	
	31.12.2012	**31.12.2011**	**31.12.2012**	**31.12.2011**
Unearned interest on receivables	498	82	100	16
Provision for employee termination benefits	6,572	5,107	1,314	1,022
Provision for doubtful receivables	11,490	10,257	2,298	2,051
Inventories	2,035	9,672	407	1,934
Cancellation of capitalized interest expense	5,634	26,313	1,126	5,263
Lawsuit provision	9,743	9,026	1,949	1,805
Taxable loss carried forward	20,265	11,860	4,053	2,372
Confirmation differences	1,201	1,741	240	348
Other	288	300	58	60
Unearned interest on payables	(1,858)	(2,320)	(371)	(464)
Revaluation difference on land and buildings	(16,405)	(9,764)	(3,281)	(1,954)
Revaluation differences on investment property	(10,958)	(5,135)	(2,192)	(1,027)
Difference on depreciation and amortisation	(50,462)	(60,697)	(10,092)	(12,139)
Other	(459)	(72)	(92)	(14)
Deferred tax asset			11,545	14,871
Deferred tax liability			(16,028)	(15,598)
Deferred tax asset (liability), net			**(4,483)**	**(727)**

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

Reconciliation of deferred tax as follows:

	31.12.2012	**31.12.2011**
Deferred tax asset (liability), net current year	(4,483)	(727)
Deferred tax asset liability, net beginning of the year (-)	727	1,981
	(3,756)	**1,254**
Deferred tax income (expense)	(2,432)	1,379
Deferred tax on revaluation fund	(1,324)	(125)
	(3,756)	**1,254**

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

	01.01.- 31.12.2012	**01.01.- 31.12.2011**
Profit (loss) before taxation	8,274	(14,563)
Tax expense (income) expected as a result of the main partnership tax rate (20%)	(1,655)	2,913
Group's expected tax expense/(income)	**(1,655)**	**2,913**
Effect of tax disallowed expenses	(362)	(1,026)
Effect of statutory period loss	(2,389)	(3,092)
Taxable loss	1,681	2,372
Group's tax expense for the year	**(2,725)**	**1,167**

NOTE 25 – EARNINGS PER SHARE

Net profit/(loss) for the year	5,549	(13,396)
Non-controlling interest's net loss for the year	115	395
Net profit (loss) attributable to shareholders	5,664	(13,001)
Weighted average number of outstanding ordinary shares	134,620,000	133,658,356
Earnings per share, TL full	**0.0421**	**(0.0973)**

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

NOTE 26 - RELATED PARTIES DISCLOSURES

Group has entered into several financing transactions with its related parties, No interest has been calculated on these amounts. According to the Board of Directors' decision dated 30.07.2010 numbered 184, all receivables/debts which are given/obtained to/from related parties with the aim of financing will be subject to interest and interest rate is %9.

The Group has borrowed loan from banks amounting USD 15,000 million for Kiler Holding A. Ş., and then passed through this loan to Kiler Holding A.Ş. According to the Board of Directors' decision dated 20.12.2011 numbered 2011/67, the Group has stopped calculating 9% interest for the receivable from Kiler Holding A. Ş. Instead of calculating 9% interest, all financing costs of these loans will be charged to Kiler Holding A. Ş.

a) Trade receivables from related parties:	**31.12.2012**	**31.12.2011**
Denge Reklam Turizm İnşaat Emlak Gıda Elektrik Elektronik Sanayi ve Ticaret Limited Şirketi	27,475	--
KBC Gıda Sanayi ve Ticaret Limited Şirketi	2,087	79
Sese Et Ürünleri ve Gıda Sanayi Ticaret Limited Şirketi	160	--
Klr İnşaat Ticaret Limited Şirketi	--	699
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi Anonim Şirketi	--	732
Other	43	1
	29,765	1,511
Unearned interest on receivables (-)	(481)	(26)
	29,284	**1,485**

b) Trade payables to related parties:		
Current accounts:		
KBC Gıda Sanayi Ticaret Limited Şirketi	2,503	51
Bağcı Sebze Meyve Tarım Ürünleri ve Su Ürünleri Hayvancılık Soğuk Hava Depoculuğu Ticaret Anonim Şirketi	616	9
Kiler Holding Anonim Şirketi	515	--
Kiler Gayrimenkul Yatırım Ortaklığı Anonim Şirketi	288	25
Ümit Kiler Sebze Meyve Komisyoncusu	--	1,034
Kütahya Şeker Fabrikası Anonim Şirketi	--	415
Other	221	56
Notes payable:		
Ümit Kiler Sebze Meyve Komisyoncusu	1,221	608
Kiler Gayrimenkul Yatırım Ortaklığı Anonim Şirketi	--	457
	5,364	2,655
Unearned interest on payables (-)	(33)	(38)
	5,331	**2,617**

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

c) Other receivables from related parties	**31.12.2012**	**31.12.2011**
Kiler Holding Anonim Şirketi	28,355	67,822
Ümit Kiler	26,620	11,670
Nahit Kiler	20,706	12,440
Vahit Kiler	814	656
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi Anonim Şirketi	701	--
Biskon Yapı Anonim Şirketi	3	2,859
Other	548	429
	77,747	**95,876**

d) Other payables to related parties

Ümit Kiler	418	418
Kiler Holding Anonim Şirketi	50	50
İmperyay/İmper Yayıncılık ve Reklamcılık Anonim Şirketi	--	147
Kütahya Şeker Fabrikası Anonim Şirketi	162	162
	630	**777**

e) Other current assets to related parties

Kütahya Şeker Fabrikası Anonim Şirketi	225	--
Ümit Kiler Sebze Meyve Komisyoncusu	512	--
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi Anonim Şirketi	8	--
	745	**--**

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

f) Income from related parties	**01.01.-31.12.2012**	**01.01.-31.12.2011**
Denge Reklam Turizm İnşaat Emlak Gıda Elektrik Elektronik Sanayi ve Ticaret Limited Şirketi	34,826	3,916
Kiler Holding Anonim Şirketi	9,166	12,029
Ümit Kiler	2,027	1,806
Nahit Kiler	1,746	846
KBC Gıda Sanayi Ticaret Limited Şirketi	512	4,023
Klr İnşaat Ticaret Limited Şirketi	164	2,199
Kiler Alışveriş Hizmetleri Gıda Sanayi Ticaret Limited Şirketi	3	4,782
Other	774	758
	49,218	**30,359**

g) Expenses to related parties

Denge Reklam Turizm İnşaat Gıda Elektrik Sanayi Limited Şirketi	31,543	33,295
KBC Gıda Sanayi Ticaret Limited Şirketi	12,192	12,265
Ümit Kiler Sebze Meyve Komisyoncusu	10,044	3,864
Kiler Holding Anonim Şirketi	4,507	1,338
Kiler Gayrimenkul Yatırım Ortaklığı Anonim Şirketi	3,609	3,253
Klr İnşaat Ticaret Limited Şirketi	3,337	1,690
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi Anonim Şirketi	1,791	2,571
Bağcı Sebze Meyve Tarım Ürünleri ve Su Ürünleri Hayvancılık Soğuk Hava Depoculuğu Ticaret Anonim Şirketi	672	1,334
Kiler Alışveriş Hizmetleri Gıda Sanayi Ticaret Limited Şirketi	--	1,932
Other	1,631	2,065
	69,326	**63,607**

h) Remuneration of the management

The total remuneration of the chairman, the members of Board and the top management, amounted to TL 293 for the year ended 31.12.2012 (01.01-31.12.2011: TL 371).

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

NOTE 27 - FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE

Financial instruments

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

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

The Company's interest rate position and sensitivity analysis are shown below as of 31.12.2012 and 31.12.2011:

	31.12.2012	**31.12.2011**
Financial instrument with fixed interest rate:		
Financial assets – time deposits	--	--
Financial liabilities	212,962	203,484
Financial instrument with variable interest rate:		
Financial assets – held for trading	--	--
Financial liabilities	78,725	91,274

As of 31.12.2012 average effective rates are 16.15% (31.12.2011: 16.11%) for financial liabilities in TL, 6.17% (31.12.2011: 6.16%) for financial liabilities in USD and 7.80% (31.12.2011:5.87%) for financial liabilities in EURO.

If the base point was 1% higher/lower as of 31.12.2012; and if all of the other variables had remained the same, the profit before tax would have been higher/lower by TL 596 (31.12.2011: TL 440).

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

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

Exposure to credit risks with financial instruments is shown below:

31.12.2012	Receivables						
	Trade receivables		Other receivables				
	Related parties	Third parties	Related parties	Third parties	Bank deposits	Derivative instruments	Other
Maximum exposure to credit risk	--	--	--	--	--	--	--
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--	--
A. Carrying amount of financial assets that are not overdue and not impaired	29,284	3,062	77,747	1,337	1,236	--	--
B. Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--	--
C. Carrying amount of assets that are overdue but not impaired	--	21	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
D. Carrying amount of assets that are impaired	--	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	648	--	2,364	--	--	--
- Impairment (-)	--	(648)	--	(2,364)	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
- Not overdue (gross carrying amount)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
E. Credit risk issues out of balance sheet	--	--	--	--	--	--	--
Total	**29,284**	**3,083**	**77,747**	**1,337**	**1,236**	**--**	**--**

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR YEARS ENDED 31.12.2012 AND 31.12.2011

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

31.12.2011	Receivables						
	Trade receivables		Other receivables				
	Related parties	Third parties	Related parties	Third parties	Bank deposits	Derivative instruments	Other
Maximum exposure to credit risk	--	--	--	--	--	--	--
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--	--
A. Carrying amount of financial assets that are not overdue and not impaired	1,485	2,264	95,876	1,218	4,905	--	--
B. Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--	--
C. Carrying amount of assets that are overdue but not impaired	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
D. Carrying amount of assets that are impaired	--	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	833	--	2,062	--	--	--
- Impairment (-)	--	(833)	--	(2,062)	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
- Not overdue (gross carrying amount)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
E, Credit risk issues out of balance sheet	--	--	--	--	--	--	--
Total	**1,485**	**2,264**	**95,876**	**1,218**	**4,905**	**--**	**--**

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

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.

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

31.12.2012

Contractual maturities	**Book value**	**Total cash outflow according contract**	**1-3 months maturity**	**3-12 months maturity**	**1-5 years maturity**	**Over 5 year**
Financial liabilities	291,687	313,164	61,694	187,793	63,677	--
Trade payables	209,358	211,216	191,078	19,457	681	--
Other payables	31,694	31,694	9,034	16,972	5,688	--
Non-derivative financial liabilities	**532,739**	**556,074**	**261,806**	**224,222**	**70,046**	**--**

31.12.2011

Contractual maturities	**Book value**	**Total cash outflow according contract**	**1-3 months maturity**	**3-12 months maturity**	**1-5 years maturity**	**Over 5 year**
Financial liabilities	294,758	317,334	45,665	191,708	79,961	--
Trade payables	150,043	152,362	137,382	11,135	3,845	--
Other payables	45,698	45,698	9,078	10,631	25,989	--
Non-derivative financial liabilities	**490,499**	**515,394**	**192,125**	**213,474**	**109,795**	**--**

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:

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

	31.12.2012	31.12.2011
Assets	74	97
Liabilities	(130,414)	(161,991)
Net Foreign Currency	**(130,340)**	**(161,894)**

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 /				
(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	--	--	--	--

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

31.12.2011

	USD	EURO	GBP	TL Equivalent
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and	25	19	1	97
bank accounts)	--	--	--	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	25	19	1	97
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)	25	19	1	97
10. Trade payables	16	--	--	30
11. Financial liabilities	49,251	2,119	--	98,209
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	49,267	2,119	--	98,239
14. Trade payables	--	--	--	--
15. Financial liabilities	33,751	--	--	63,752
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	33,751	--	--	63,752
18. Total liabilities (13+17)	83,018	2,119	--	161,991
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)	(82,993)	(2,100)	1	(161,894)
21. Monetary net foreign currency position / (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(82,993)	(2,100)	1	(161,894)
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

31.12.2012				
	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**

Foreign currency sensitivity analyzing table

31.12.2011				
	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	(15,677)	15,677	(15,677)	15,677
2- Hedging part of USD risk (-)	--	--	--	--
3-USD net effect (1+2)	(15,677)	15,677	(15,677)	15,677
If EURO change 10% against TL:				
4- EURO net assets/liabilities	(513)	513	(513)	513
5- Hedging part of EURO risk (-)	--	--	--	--
6- EURO net effect (4+5)	(513)	513	(513)	513
Total(3+6)	**(16,190)**	**16,190**	**(16,190)**	**16,190**

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

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

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

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

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

	31.12.2012	**31.12.2011**
Financial liabilities	291,687	294,758
Cash and cash equivalents (-)	(43,016)	(42,008)
Net financial debt	**248,671**	**252,750**
Total equity	218,847	208,000
Overall financing	**467,518**	**460,750**
Net financial debt to overall financing ratio	**0.53**	**0.55**

Fair value of financial instruments

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

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

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

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.-31.12.2012	**01.01.-31.12.2011**
Adjustment to reconcile loss before taxation to net cash provided from operating activities:		
Depreciation and amortization expense	18,522	18,969
Provision for employee termination benefits (note 15)	3,063	2,688
Profit on sale of property, plant and equipment (note 21)	(86)	(322)
Loss on sale of property, plant and equipment (note 21)	52	180
Increase in net realizable value of investment properties (note 21)	(5,824)	(3,233)
Diminution in net book value of land and buildings (note 21)	--	491
Impairment loss on goodwill (note 13)	583	2,998
Changes in provision, net	717	1,157
Provision for doubtful receivables, net	1,689	852
Unearned interest on receivables	416	(47)
Unearned interest on payables	461	(1,099)
Interest expense (note 22)	(11,592)	(8,441)
Interest income (note 23)	37,352	22,826
Foreign exchange gains (note 22)	(12,727)	(5,998)
Foreign exchange losses (note 23)	7,386	32,710
	40,012	**63,731**

Net changes in operating assets and liabilities

Trade receivables	(29,080)	7,515
Inventories	(39,797)	(73,967)
Other receivables	(464)	(159)
Other assets	(2,031)	693
Trade payables	58,854	(2,524)
Other payables	(14,004)	40,475
Other liabilities	(2,207)	2,269
Payment of employee termination benefits (note 15)	(1,598)	(1,430)
	(30,327)	**(27,128)**

Depreciation expense and amortization charged to:

Cost of sales	233	171
Marketing, selling and distribution expenses	9,486	10,593
General and administrative expenses	8,803	8,205
	18,522	**18,969**

NOTE 30 – POST BALANCE SHEET EVENTS

The Company won the bid to purchase the 100% shares of Aras Elektrik Da ğıtım 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, A ğrı, Ardahan, Bayburt, Erzincan, Iğdır and Kars.

Kiler Holding A.Ş. has undertaken to take over all rights and obligations of Kiler Al ışveriş 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.