

**KİLER ALIŞVERİŞ
HİZMETLERİ GIDA SANAYİ
VE TİCARET A.Ş. CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED
01.01. – 31.03.2012**

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 01.01.-31.03.2012

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KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONDENSED CONSOLIDATED BALANCE SHEET AS OF 31.03.2012
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Not Reviewed 31.03.2012	Audited 31.12.2011
ASSETS			
Current Assets			
Cash and cash equivalents	4	510,117	436,675
Trade Receivables			
- Trade receivables from related parties	7 - 27	60,666	42,008
- Trade receivables from third parties	7	10,664	1,485
Other receivables			
- Other receivables from related parties	8 - 27	742	2,264
- Other receivables from third parties	8	132,251	95,876
Inventories	9	1,842	1,218
Other current assets	17	288,362	278,129
		15,590	15,695
Long-term Assets			
Financial investments	5	293,831	299,805
Investment properties	10	54	54
Property, plant and equipment	11	52,417	52,417
Intangible assets	12	148,770	152,591
Goodwill	13	689	742
Deferred tax asset	25	73,568	73,568
Other assets	17	13,781	14,871
		4,552	5,562
TOTAL ASSETS		803,948	736,480

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONDENSED CONSOLIDATED BALANCE SHEET AS OF 31.03.2012
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Not Reviewed 31.03.2012	Audited 31.12.2011
LIABILITIES			
Short-term liabilities		452,465	405,974
Financial liabilities	6	242,852	222,791
Trade payables			
- Trade payables to related parties	7 - 27	4,606	2,617
- Trade payables to third parties	7	166,528	143,581
Other payables			
- Other payables to related parties	8 - 27	768	777
- Other payables to third parties	8	18,698	18,932
Taxation on income	25	1,091	29
Provisions for payables	14	8,951	9,026
Other current liabilities	17	8,971	8,221
Long-term liabilities		135,219	122,506
Financial liabilities	6	88,226	71,967
Trade payables	7	2,691	3,845
Other payables			
- Other payables to related parties	8 - 27	--	--
- Other payables to third parties	8	22,563	25,989
Provision for employee termination benefits	16	5,663	5,107
Deferred tax liabilities	25	16,076	15,598
EQUITY		216,264	208,000
Company shareholders' equity	18	215,560	207,422
Share capital		134,620	134,620
Investment and share capital eliminating adjustments (-)		--	--
Positive distinction from share capital adjustment		--	--
Premium in excess of par		66,150	66,150
Revaluation fund		14,307	14,309
Foreign currency translation differences		--	--
Legal reserves		12,397	12,397
General Reserves		(20,051)	(7,053)
Net profit/loss for the period		8,137	(13,001)
Minority interest		704	578
TOTAL LIABILITIES		803,948	736,480

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR PERIODS ENDED 31.03.2012 AND 31.03.2011

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

	Notes	Not Reviewed 01.01.- 31.03.2012	Not Reviewed 01.01.- 31.03.2011
CONTINUING OPERATIONS			
Sales	19	231,230	173,734
Cost of sales (-)	19	(165,995)	(117,108)
GROSS PROFIT / (LOSS)		65,235	56,626
Marketing, selling and distribution expenses (-)	20	(42,771)	(37,689)
General administrative expenses (-)	20	(10,351)	(9,395)
Income from other operations	22	461	405
Expense from other operations (-)	22	(942)	(2,805)
OPERATING INCOME / (LOSS)		11,632	7,142
Financial income	23	12,497	1,946
Financial expenses (-)	24	(13,206)	(5,511)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		10,923	3,577
Tax income / (expense) from continuing operations		(2,660)	(1,463)
- Taxation on income	25	(1,091)	(592)
- Deferred tax income / (expense)	25	(1,569)	(871)
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		8,263	2,114
DISCONTINUED OPERATIONS		--	--
Profit / loss from discontinued operations (net of income tax)		--	--
PROFIT FOR THE PERIOD		8,263	2,114
Other comprehensive income:			
Changes in fair value on available for sale securities		--	--
Changes in fair value of land and buildings		--	--
Changes in fair value of Financial Risk Hedging		--	--
Changes in differences of foreign currency translation		--	--
Actuarial Gains and Losses of the Pension Plans		--	--
Other Comprehensive Income from investments in associates		--	--
Tax Income / (Expense) from Other Comprehensive Operations		1	--
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		1	--
TOTAL COMPREHENSIVE INCOME / (LOSS)		8,264	2,114
Distribution of Profit / (Loss)			
Minority interests		126	(373)
Equity holders of the Company		8,137	2,487
Distribution of Comprehensive Income / (Loss)			
Minority interests		126	(373)
Equity holders of the Company		8,138	2,487
Earnings Per Share	26	0.0604	0.0191
Earnings Per Share From Continuing Operations	26	0.0604	0.0191

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR PERIODS ENDED 31.03.2012 AND 31.03.2011

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

	Share Capital	Premium in access of par	Revaluation Fund	Legal Reserves	General Reserves	Net Profit (Loss) For The Period	Minority Interest	Total Shareholders' Equity
Balance at 31.12.2010	121,120	--	13,811	12,162	(16,702)	9,884	12,894	153,169
Transfer to reserves	--	--	--	--	9,884	(9,884)	--	--
Capital increases	13,500	--	--	--	--	--	--	13,500
Premium in access of par	--	66,150	--	--	--	--	--	66,150
Purchase of additional shares of subsidiaries	--	--	--	--	--	--	(11,901)	(11,901)
Transfer to legal reserves	--	--	--	235	(235)	--	--	--
Net profit for the period	--	--	--	--	--	2,487	(373)	2,114
Balance at 31.03.2011	134,620	66,150	13,811	12,397	(7,053)	2,487	620	223,032
Balance at 31.12.2011	134,620	66,150	14,309	12,397	(7,053)	(13,001)	578	208,000
Transfer to reserves	--	--	--	--	(13,001)	13,001	--	--
Depreciation on buildings measured with fair value	--	--	(3)	--	3	--	--	--
Net profit for the period	--	--	1	--	--	8,137	126	8,264
Balance at 31.03.2012	134,620	66,150	14,307	12,397	(20,051)	8,137	704	216,264

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED CASH FLOW STATEMENTS
FOR PERIODS ENDED 31.03.2012 AND 31.03.2011

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

CASH FLOWS DUE FROM OPERATING ACTIVITIES	Notes	Not Reviewed 01.01.-31.03.2012	Not Reviewed 01.01.-31.03.2011
Profit / (loss) before tax		10,923	3,577
Adjustments to reconcile net income to net cash provided by operating activities		4,332	7,620
Depreciation and amortization		5,149	4,504
Provision for employee termination benefit	16	862	891
Profit on sale of fixed assets	22	(19)	(59)
Loss on sale of fixed assets	22	37	34
Provision for doubtful receivables, net	7 - 8 -17	32	(734)
Interest income	23	(3,028)	(1,623)
Interest cost	24	7,954	3,907
Foreign exchange gains	23	(9,412)	(31)
Foreign exchange losses	24	2,724	798
Unearned interest on trade receivables		195	72
Unearned interest on trade payables		(162)	(139)
Operating income before changes in assets and liabilities related with operating activities		15,255	11,197
Changes in trade receivables		(7,820)	(2,329)
Changes in inventories		(10,233)	(22,528)
Changes in other receivables		(638)	(1,019)
Changes in other current assets		55	2,009
Changes in other non-current assets		1,010	(1,176)
Changes in trade payables		23,944	(4,554)
Changes in other payables		(3,660)	378
Changes in provision for payables		(75)	910
Changes in other current liabilities		750	(1,790)
Taxes paid		(29)	(127)
Employee termination benefit paid	16	(306)	(250)
Net cash provided by operating activities		18,253	(19,279)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(1,372)	(7,664)
Purchase of intangible assets	12	(3)	(269)
Sale of property, plant and equipment	11	82	369
Changes in financial investments		--	(770)
Goodwill		--	(32,860)
Net cash provided from / (used in) investing activities		(1,293)	(41,194)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of financial liabilities		(42,031)	(27,923)
Loans obtained		86,933	17,739
Interest expense		(7,180)	(4,767)
Foreign exchange gains		56	31
Foreign exchange losses		(2,724)	(1,108)
Interest income		3,028	1,623
Other receivables from related parties		(36,375)	(11,741)
Other payables to related parties		(9)	17,964
Change in the share of minority		--	(11,901)
Share capital increases		--	13,500
Premium in access of par	18	--	66,150
Net cash provided from / (used in) financial activities		1,698	59,567
Changes in cash and cash equivalents		18,658	(906)
Cash and cash equivalents at the beginning of the period		42,008	36,539
Cash and cash equivalents at the end of the period		60,666	35,633

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31.03.2012

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

NOTE 1 – COMPANY’S ORGANIZATION AND NATURE OF OPERATIONS

Kiler Alışveriş Hizmetleri Gıda San. ve Tic. A.Ş. (“Kiler” or “Kiler Alışveriş”) was established in 1994 in Istanbul. Kiler is mainly engaged in retail of essential goods. As of 31.03.2012, Kiler has 125 stores (31.12.2011: 125) and together with its consolidated subsidiary total number of stores is 192 (31.12.2011: 193). As of 31.03.2012, Kiler has 3,433 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 financial statements, Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş. is referred to as “The Company” and together with the subsidiaries is referred to as “The Group”. The interest share of The Company is shown below:

<u>Consolidated Company</u>	Economic interest (%)		Ownership interest rate (%)	
	<u>31.03.2012</u>	<u>31.12.2011</u>	<u>31.03.2012</u>	<u>31.12.2011</u>
	Kiler Ankara Mağazacılık Sanayi Ticaret A.Ş.	96	96	96

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

Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş.

Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş. (“Kiler Ankara”) was established in Ankara under the name of Canerler Gıda San. ve Tic. A.Ş. (“Canerler Gıda”) and is engaged in retail sale. In 2005 50% of the shares of Canerler Gıda (new name Kiler Ankara) was sold to the Kiler family and the Kiler group of Companies. The control and management of Kiler Ankara belongs to the Kiler family and Kiler group of Companies. In 2011 Kiler Alışveriş is purchased shares from Canerler family again and the percentage is increased from 47% to 96%. As of 31.03.2012, there were 67 stores in Ankara (under the banner of Kiler) (31.12.2011:68). As of 31.03.2012, the number of personnel employed was 1,706 (31.12.2011: 1,641).

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31.03.2012
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of Presentation

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

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

2.2. Going Concern

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

2.3. Measurement currency and reporting currency

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

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

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

2.5. Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31.03.2012

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

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

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.

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 17.
- 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.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31.03.2012

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

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

- 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)
- 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 9.5% 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 comprehensive period income statement.

Inventories

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31.03.2012

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

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

Property, plant and equipment

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

	Year
Buildings	50
Machinery and equipment	10-20
Vehicles	8-14
Furniture and Fixtures	7-20
Leasehold improvements	10-14

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

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

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

Investment Property

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

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

Initial measurement

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

Measurement subsequent to initial recognition

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31.03.2012

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

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

Fair value model

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

Cost Model

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

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

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

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	5

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.

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

Financial investments

The Group classifies its financial assets held for trading.

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

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

Effective interest method

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

Borrowing costs

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

Foreign currency transactions

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

Earnings per share

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

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

Other provisions, contingent liabilities and contingent assets

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

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

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

Leases

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

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

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity')

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

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

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

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

Post balance sheet events

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

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

Segment Reporting

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

Government Incentives and Subsidies

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

Customer loyalty program

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

Taxation

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

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

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

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

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

Provision for employee termination benefits

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

Cash flow statements

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

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

2.10. Adoption of New and Revised International Financial Reporting Standards

New and Revised International Financial Reporting Standards

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) that are effective as at 31.03.2012 and that are relevant to its operations.

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 - Enhanced Derecognition Disclosure Requirements”

2.10.2 Standards, amendments and interpretations effective after March 2012 but not early adopted by the Company:

- 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”

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 financial statements.

NOTE 3 - SEGMENT REPORTING

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

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NOTE 4 - CASH AND CASH EQUIVALENTS

	31.03.2012	31.12.2011
Cash	9,349	9,003
Banks		
- Demand Deposit – TL	2,058	4,806
- Demand Deposit – USD	16,735	47
- Demand Deposit – EURO	46	48
- Demand Deposit – GBP	4	4
Credit Card Receivables	32,474	28,100
	60,666	42,008

NOTE 5 – FINANCIAL INVESTMENTS

	<u>31.03.2012</u>		<u>31.12.2011</u>	
	Percentage (%)	TL	Percentage (%)	TL
Long Term:				
KBC Gıda San. Tic. Ltd. Şti.	10.85	54	10.85	54
		54		54

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NOTE 6- FINANCIAL LIABILITIES

	31.03.2012	31.12.2011
<u>Short Term</u>		
Bank Loans		
- TL	152,640	123,381
- USD	85,054	93,030
- EURO	3,905	5,176
Leasing payables	1,253	1,204
	242,852	222,791
<u>Long Term</u>		
Bank Loans		
- TL	3,293	4,267
- USD	81,320	63,752
Leasing payables	3,613	3,948
	88,226	71,967

The maturity of financial liabilities is listed below:

	31.03.2012	31.12.2011
0 - 3 months	31,741	44,888
3 - 12 months	211,111	177,903
1 - 2 years	66,786	41,530
2 - 3 years	19,017	29,472
3 - 4 years	2,423	965
	331,078	294,758

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NOTE 6 – FINANCIAL LIABILITIES (Continued)

As of 31.03.2012, 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	69,650	70,464
Loan under guarantee (3) (*)	USD	09.07.2012	35,458	36,001
Loan under guarantee (8)	TL	10.07.2012	18	19
Loan under guarantee (8)	TL	07.12.2012	13	14
Loan under guarantee (8)	EURO	18.10.2012	21	21
Loan under guarantee (8)	TL	22.06.2012	81	81
Loan under guarantee (1)	TL	06.04.2012	1,490	1,665
Loan under guarantee (2)	USD	31.08.2012	4,751	4,784
Loan under guarantee (2)	TL	15.09.2012	4,000	4,000
Loan under guarantee (4)	TL	01.10.2012	13,800	14,206
Loan under guarantee (4)	TL	28.09.2012	3,750	3,750
Loan under guarantee (4)(*)	TL	06.08.2012	20,000	20,001
Loan under guarantee (8)	TL	04.01.2013	100	101
Loan under guarantee (8)	TL	21.04.2012	1	1
Loan under guarantee (8)	TL	11.03.2013	134	135
Loan under guarantee (8)	TL	25.03.2013	135	135
Loan under guarantee (8)	TL	21.03.2013	45	45
Loan under guarantee (8)	TL	14.03.2013	36	36
Loan under guarantee (8)	TL	14.06.2012	20	20
Loan under guarantee (9)	EURO	11.07.2012	2,859	2,868
Loan under guarantee (6)	USD	03.01.2014	8,776	8,828
Loan under guarantee (5)	USD	03.01.2014	1,875	1,886
Loan under guarantee (5)	USD	03.01.2014	1,316	1,324
Loan under guarantee (6) (*)	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	24	24
Loan under guarantee (1)	TL	31.12.2012	4,497	4,548
Loan under guarantee (1)	TL	09.12.2013	2,674	2,698
Loan under guarantee (1)	TL	31.01.2013	3,000	3,126
Loan under guarantee (1)	TL	07.12.2012	2,000	2,094
Loan under guarantee (4)	TL	07.10.2012	7,000	7,474
Loan under guarantee (2)	TL	14.11.2012	11,000	11,223
Loan under guarantee (10)	TL	12.08.2013	1,956	1,977
Loan under guarantee (8)	TL	13.12.2012	16	16
Loan under guarantee (1)	TL	24.01.2013	464	467
Loan under guarantee (1)	TL	12.04.2012	5,000	5,142
Loan under guarantee (6)	TL	19.01.2013	10,000	10,362
Loan under guarantee (1)	EURO	01.03.2013	1,010	1,015
Loan under guarantee (1)	TL	23.03.2013	6,650	6,672
Loan under guarantee (1)(**)	USD	03.04.2013	26,594	26,614
Loan under guarantee (2)	USD	21.08.2015	8,865	8,940
Loan under guarantee (2)	USD	23.09.2015	6,914	6,926
Loan under guarantee (1)	TL	29.03.2013	600	614
Loan under guarantee (1)	TL	06.05.2013	2,000	2,017
Loan under guarantee (1)	TL	06.04.2013	2,000	2,039
Loan under guarantee (1)	TL	24.02.2014	212	213
Loan under guarantee (1)	TL	02.01.2013	5,700	5,917
Subtotal			289,855	293,853

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NOTE 6 – FINANCIAL LIABILITIES (Continued)

	Currency	Maturity	Nominal Balance	Book Value
Subtotal (continued)			289,855	293,853
Loan under guarantee (7)	TL	29.06.2012	6,250	6,253
Loan under guarantee (4)	TL	09.09.2012	10,000	10,770
Loan under guarantee (4)	TL	27.09.2012	10,000	10,717
Loan under guarantee (8)	TL	04.01.2013	342	345
Loan under guarantee (8)	TL	10.07.2012	18	18
Loan under guarantee (10)	USD	16.07.2012	605	607
Loan under guarantee (9)	TL	30.09.2013	3,590	3,649
			320,660	326,212

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

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

As of 31.12.2011 average effective rates are 16.60% for financial liabilities in TL, 6.50% for financial liabilities in USD and 6.46% for financial liabilities in EURO.

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NOTE 6 – FINANCIAL LIABILITIES (Continued)

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

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NOTE 6 – FINANCIAL LIABILITIES (Continued)

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

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.

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Short Term Trade Receivables	31.03.2012	31.12.2011
Accounts Receivables		
- Third Parties	1,555	2,859
- Related Parties (Not 27)	10,919	1,511
Notes Receivables		
- Third Parties	10	294
	12,484	4,664
Deferred financing expense (-)	(277)	(82)
Provision for doubtful receivables (-)	(801)	(833)
	11,406	3,749

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NOTE 7 - TRADE RECEIVABLES AND PAYABLES (continued)

The movement of provision for doubtful receivables is listed below:

	01.01.- 31.03.2012	01.01.- 31.12.2011
Opening balance	833	670
Charge for period	10	163
Proceeds from doubtful receivables	(42)	--
Closing balance	801	833

Trade receivables from third parties maturity is listed below:

	31.03.2012	31.12.2011
Overdue received (*)	801	833
Between 0-3 months	111	1,820
Between 3-6 months	653	500
	1,565	3,153

Trade receivables from related parties maturity is listed below:

	31.03.2012	31.12.2011
Between 0-3 months	9,506	812
Between 3-6 months	1,413	699
	10,919	1,511

(*)A provision of TL 801 (2011: TL 833) has been set aside for the above mentioned overdue receivables which are without sufficient security.

The Group's sales are generally retail sales in cash. The average collection period for the Company's trade receivables from related parties is 60 days (2011: 45) and for other trade receivables is 60 days (2011: 45).

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NOTE 7 - TRADE RECEIVABLES AND PAYABLES (continued)

Short-term trade payables	31.03.2012	31.12.2011
Trade Payables		
- Third Parties	147,448	127,617
- Related Parties (Note 27)	3,061	1,590
Notes Payable		
- Third Parties	21,161	18,061
- Related Parties (Note 27)	1,603	1,065
Other Trade Payables	342	184
	173,615	148,517
Deferred Financing Income (-)	(2,481)	(2,319)
	171,134	146,198

Long-term trade payables	31.03.2012	31.12.2011
Notes Payable		
- Third Parties	2,691	3,845
	2,691	3,845

Trade Payables to third parties maturity listed below:

	31.03.2012	31.12.2011
Between 0-3 months	156,559	134,727
Between 3-6 months	10,104	8,901
Between 6-12 months	2,288	2,234
More than one year	2,691	3,845
	171,642	149,707

Trade Payables to related parties maturity listed below:

	31.03.2012	31.12.2011
Between 0-3 months	4,664	2,655
	4,664	2,655

The average payment period for the Company's trade payables to related parties is 45 days (2011: 30) and for other trade payables is 60 days (2011: 45).

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NOTE 8 – OTHER RECEIVABLES AND PAYABLES

Short term other receivables:	31.03.2012	31.12.2011
Sundry receivables		
- Third parties	3,918	3,280
- Related parties (Note 27)	132,251	95,876
Provision from doubtful receivables (-)	(2,076)	(2,062)
	134,093	97,094

Provision for other doubtful receivables is listed below:

	01.01.- 31.03.2012	01.01.- 31.12.2011
Opening balance	2,062	2,058
Charge for period	58	460
Proceeds from doubtful receivables	(44)	(402)
Doubtful receivables written-off	--	(54)
Closing balance	2,076	2,062

Short term payables:	31.03.2012	31.12.2011
Due to personnel	4,520	4,050
Order advances received	37	33
Other sundry payables		
- Third parties	14,141	14,849
- Related parties (Note 27)	768	777
	19,466	19,709

Long term payables:	31.03.2012	31.12.2011
Other sundry payables		
- Third parties	22,563	25,989
	22,563	25,989

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NOTE 9 – INVENTORIES

	31.03.2012	31.12.2011
Raw materials	4,117	4,675
Merchandises (*)	285,108	274,314
Other inventories	112	115
Provision for diminution in value (-)	(975)	(975)
	288,362	278,129

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

	01.01.- 31.03.2012	01.01.- 31.12.2011
Opening	975	313
Provision for period	--	975
Proceeds from provision of inventory	--	(313)
	975	975

Insurance guarantee on inventories amounts to TL 118,170 (2011: 113,094 TL).

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NOTE 10 – INVESTMENT PROPERTY

	31.12.2010	Revaluation Differences	31.12.2011	Additions	31.03.2012
<u>Cost value</u>					
Land	1,214	96	1,310	--	1,310
Building	47,970	3,137	51,107	--	51,107
Net book value	49,184	3,233	52,417	--	52,417

Type of real estate	Expert company	Expert report date	Report number	Expert value
Bahçelievler land (1)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	21.03.2012	2011_0387	1,310
Esenyurt building (sections numbered 8, 15, 17, 18 and 19) (2)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2012	2012_0185	24,136
Esenyurt building (sections numbered 10, 11, 12 and 13) (3)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2012	2012_0185	26,971
				52,417

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NOTE 10- INVESTMENT PROPERTY(Continued)

(1) Bahçelievler land

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

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

The building is registered in Istanbul, Esenyurt on a 347 block on 10 parcels and consists of office sections. The closed area is 16,500 m² and 13,074 m² of this area is rented to related companies. The remaining 3,426 m² is in the use of the Company and is classified in plant, property and equipment.

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

The building is registered in Istanbul, Esenyurt on a 347 block on 10 parcels and consists of warehouse sections. The closed area is 20,863 m² is totally rented.

Details of investment property are listed below:

Explanation	Exact Square Meters	Exact Square Meters		Net book value
		Leased	Monthly rent	
Bahçelievler land	1,170	--	--	1,310
Esenyurt building (sections numbered 8, 15, 17, 18 and 19)	13,074	3,470	17,351 USD	24,136
Esenyurt building (sections numbered 10, 11, 12 and 13)	8,315	8,315	39,140 USD	10,749
Esenyurt building (sections numbered 10, 11, 12 and 13)	2,088	2,088	10,440 USD	2,699
Esenyurt building (sections numbered 10, 11, 12 and 13)	5,553	5,553	27,765 USD	7,179
Esenyurt building (sections numbered 10, 11, 12 and 13)	4,907	4,907	29,810 USD	6,344
	35,107	24,333		52,417

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

Bank	Type	Foreign Currency Type	31.03.2012		31.12.2011	
			Foreign Currency Type	TL Balance	Foreign Currency Type	TL Balance
Halkbank	Real Estate	USD	22,500	39,890	22,500	42,500
Yapı Kredi Bankası	Real Estate	USD	16,500	29,253	16,500	31,167

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	31.12.2010	Additions	Disposals	Revaluation Differences	31.12.2011	Additions	Disposals	31.03.2012
<u>Cost value</u>								
Land	21,311	11,491	--	(491)	32,311	--	--	32,311
Buildings	14,940	--	--	483	15,423	--	--	15,423
Machinery and equipment	3,691	24	--	--	3,715	12	--	3,727
Vehicles	14,206	2,337	(2,099)	--	14,444	344	(142)	14,646
Furniture and fixtures	121,962	12,167	--	--	134,129	300	--	134,429
Leasehold improvements	40,527	8,033	--	--	48,560	716	--	49,276
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	1,372	(142)	259,106
<u>Accumulated Depreciation</u>								
Buildings	168	386	--	(140)	414	90	--	504
Machinery and equipment	1,683	358	--	--	2,041	93	--	2,134
Vehicles	6,597	1,311	(870)	--	7,038	320	(42)	7,316
Furniture and fixtures	61,697	12,754	--	--	74,451	3,430	--	77,881
Leasehold improvements	16,228	3,337	--	--	19,565	927	--	20,492
Machinery and equipment under financial leasing	445	136	--	--	581	60	--	641
Vehicles under financial leasing	234	44	(66)	--	212	10	--	222
Furniture and fixtures under financial leasing	539	444	--	--	983	163	--	1,146
	87,591	18,770	(936)	(140)	105,285	5,093	(42)	110,336
Net book value	133,236	20,506	(1,283)	132	152,591	(3,721)	(100)	148,770

Insurance on property, plant and equipment amounts to TL 268,711 (2011: 229,933 TL).

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT(Continued)

As of 31.03.2012, details of land and buildings are listed below:

Real Estate Type	Expert Company	Expert Report Date	Report Number	Expert value
Başakşehir Land and Building (1)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	26.07.2010	2010_1065	13,604
Kartal Land and Building (2)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	03.08.2010	2010_1081	15,450
Esenyurt Building (3)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2012	2012_0185	7,218
Kağıthane Land and Building (4)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	09.08.2010	2010_1102	112
Başakşehir Residence (5)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	09.08.2010	2010_1103	350
Kavacık Land (6)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.09.2011	2011_1766	11,000
				47,734

(1) The Bahçeşehir land is in the province of Istanbul, Esenler, İkitelli, 1266 blocks and parcel number 1 with an area of 5,448m². In the land registry, this land is registered on behalf of KİPTAŞ (Istanbul Konut, İmar, Plan, Turizm Ulaşım San. ve Tic. A.Ş.) and was bought by Kiler Alışveriş on 23.05.2003 with the promise of sale contract numbered 14789.

(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 m² structures over that land. The parcel is seen as 2 parcels according to the municipality records. The structure on the land consists of a supermarket, 2 residence blocks and an office. The office building does not have any certificate of occupancy.

(3) The building is registered in Istanbul Esenyurt 347 block, 10 parcels which belongs to Kiler Alışveriş. The land area consists of a total of 16,500 m² and 3,426 m² of this land area is used by Kiler Alışveriş. The remaining section is rented and is therefore classified as investment property.

(4) According to the land registry Kağıthane land and building is in the province Istanbul, Kağıthane, Gürsel, 10301 block with an area of 206 m². 136/1236 share belongs to Kiler Alışveriş and consists of an open area of 23 m², 72 m² licensed closed area and 43 m² unlicensed closed area.

(5) The Başakşehir residence is in the province of Istanbul, Başakşehir, Hoşdere, 559 block and building plot 1 and consists of 120 m² suite.

(6) Kiler Alışveriş bought a land from Fatih İzgi on 19.09.2011 for an amount of TL 11,491, the land is in Istanbul, Beykoz Çubuklu district block 814, lot number 1, with an area of 2,789 m². According the contract between Kiler Alışveriş and Fatih İzgi, TL 638 was paid directly to him, and the remaining amount was paid to his creditors in order to remove all legal restrictions on this land. In detail, TL 3,019 was paid to RCT Varlık Yönetim A.Ş., TL6,732 was paid to Mais Motorlu Araçlar İmalat ve Satış A.Ş., TL 905 was paid to Tax Authorities, TL 197 was paid to Beykoz Municipality. The building on this land is not suitable to capitalise because based on amendatory minutes and Municipality council's cease and desist orders the legal process on this building is continuing. For this reason only the land value is determined.

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT(Continued)

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

Bank	Type	Foreign Currency Type	31.03.2012		31.12.2011	
			Foreign Currency Balance	TL Balance	Foreign Currency Balance	TL Balance
Türkiye Finans Katılım Bankası	Real Estate	TL	25,000	25,000	25,000	25,000
Halkbank	Real Estate	USD	22,500	39,890	22,500	42,500
Albaraka	Real Estate	TL	20,000	20,000	20,000	20,000
Marmara Kurumlar Tax Office	Real Estate	TL	2,400	2,400	2,400	2,400
Türkiye Finans Katılım Bankası	Vehicles	TL	1,745	1,745	1,745	1,745
Albaraka	Vehicles	TL	319	319	319	319
Asya Katılım Bankası	Vehicles	TL	260	260	260	260

NOTE 12 – INTANGIBLE ASSETS

	31.12.2010	Additions	31.12.2011	Additions	31.03.2012
<u>Cost</u>					
Other intangible assets	1,482	444	1,926	3	1,929
	1,482	444	1,926	3	1,929
<u>Accumulated amortization</u>					
Other intangible assets	985	199	1,184	56	1,240
	985	199	1,184	56	1,240
Net book value	497	245	742	(53)	689

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

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NOTE 13 – GOODWILL

Goodwill	31.03.2012	31.12.2011
Kiler Ankara Mağazacılık San. ve Tic. A.Ş.	60,396	60,396
Kiler Trakya Mağazacılık San. ve Tic. A.Ş.	13,172	13,172
	73,568	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.

NOTE 14 – PROVISIONS

14.1. Contingent liabilities

	31.03.2012	31.12.2011
Provision of lawsuits	8,951	9,026
	8,951	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.

As of 31.03.2012, there are a total of 175 law suits and enforcement proceedings opened by the Company amounting to TL 4,130. There are a total of 493 law suits and enforcement proceedings which had been filed against the Company amounting to TL 7,945.

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

14.2. Contingent assets

None (31.12.2011: None).

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NOTE 15 – COMMITMENTS AND CONTINGENCIES

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

	31.03.2012	31.12.2011
A GMA given on behalf of the Group's legal entity(*)	133,872	131,273
B GMA given on behalf of the Group's subsidiaries	--	--
C GMA given on behalf of third parties within trading operations	--	--
D Other GMA		
- Given on behalf of shareholders	--	--
- Given on behalf of related parties except B and C	20,000	20,000
- Given on behalf of third parties except C	--	--
	153,872	151,273

(*)Among the GMA position given by the Group on behalf of its own legal entity, a mortgage on Başakşehir store amounting to TL 25,000 was given to Türkiye Finans Katılım Bankası A.Ş. for bank loans that are already used or will be used by Kiler Alışveriş and related parties Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. and/or Kiler Holding A.Ş. and/or KLR İnşaat Ticaret Ltd. Şti. and/or Biskon Yapı A.Ş. In the general credit agreement that signed between related parties and the bank, the total limit of loan is not allocated specifically between borrower parties and the mortgage cannot be allocated for each borrower.

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NOTE 16 – PROVISION FOR EMPLOYEE TERMINATION BENEFITS

	31.03.2012	31.12.2011
Severance Payment Provisions	5,663	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 2,805.04 as of the related balance sheet date, 31.03.2012 (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 31.03.2012 the liability for employment termination benefits was calculated based on an annual real discount rate of 4.66% (31.12.2011: an annual real discount rate of 4.66%) using estimated annual inflation rate of 5.10% and discount rate of 10%.

Severance payment provision movement table listed below:

	01.01.- 31.03.2012	01.01.- 31.12.2011
Opening balance	5,107	3,849
Charge for the period	862	2,688
Payments	(306)	(1,430)
Total	5,663	5,107

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NOTE 17 – OTHER ASSETS AND LIABILITIES

Other current assets	31.03.2012	31.12.2011
Prepaid expenses	461	531
Prepaid rent expenses	5,301	5,341
Prepaid taxes and funds	--	591
Advances given for business purposes	3,664	2,849
Deposits and guarantees given	713	619
Income accruals	521	452
Advances given	12,825	13,382
Advances given to related parties (Note 27)	225	--
Provision for advances given	(8,120)	(8,070)
	15,590	15,695

The transaction of provision for advances given is below :

	01.01.- 31.03.2012	01.01.- 31.12.2011
Opening balance	8,070	7,774
Charge for the period	135	979
Proceeds from doubtful receivables	(85)	(348)
Advances given written-off	--	(335)
	8,120	8,070

Other non-current assets	31.03.2012	31.12.2011
Prepaid expenses	129	2
Prepaid rent expenses	4,423	5,560
	4,552	5,562

Other current liabilities(short term)	31.03.2012	31.12.2011
Social security premiums and taxes	8,369	7,986
Expense accruals	10	57
Deposits and guarantees received	180	178
Provision for customer loyalty program	412	--
	8,971	8,221

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NOTE 18 – EQUITY

18.1. Paid in capital

	31.03.2012		31.12.2011	
	<u>Percentage (%)</u>	<u>Share Amount</u>	<u>Percentage (%)</u>	<u>Share Amount</u>
Kiler Holding A.Ş.	38.57	51,929	38.57	51,929
Ümit Kiler	14.67	19,743	14.67	19,743
Nahit Kiler	14.67	19,743	14.67	19,743
Vahit Kiler	14.67	19,743	14.67	19,743
Quoted shares	15.00	20,193	15.00	20,193
Other	2.42	3,269	2.42	3,269
		134,620		134,620

The capital of the Company as at 31.03.2012 and 31.12.2011 was TL 134,620. This capital consisted of 134,620,000(2011: 134,620,000) TL 12,000 (2011: TL 12,000) shares for TL 1 (Kırş 1) each and comprise of 12,000,000 shares (2011: 12,000,000) are A group shares and TL 122,620 (2011: TL 122,620) which comprise of 122,620,000 shares (2011: 122,620,000) are B group shares.

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

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.

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.

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

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

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

(ii) Privilege on voting right of auditors;

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

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

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

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NOTE 18 – EQUITY (Continued)

The pledges on shares are summarized below:

The shareholders of the Group pledged Kiler Alışveriş shares as a guarantee of Kiler Alışveriş and Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.'s loans from Akbank T.A.Ş. The limit of the loan is USD 110,000. According to the loan agreement the pledge percentage is %66 on the share capital amounting TL 134,620; 9,738,436 A group shares, 79,110,764 B group shares, totally 88,849,200 shares are pledged for a first degree on behalf of the lender for the principal loan amount and any type of accrual in terms of interest and expense.

The shareholders of the Group pledged Kiler Alışveriş shares as a guarantee of Kiler GYO A.Ş.'s bank loans from ING Bank A.Ş. According to the loan agreement, the pledge percentage is %9 on the share capital amounting TL 134,620; 1,080,000 A group shares, 11,035,785 B group shares, totally 12,115,785 shares are pledged for a first degree on behalf of the lender for the principal loan amount and any type of accrual in terms of interest and expense.

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

18.2. Share premium

	31.03.2012	31.12.2011
Share Premium	66,150	66,150
	66,150	66,150

18.3.	31.03.2012	31.12.2011
Legal Reserves	1,139	1,139
Extraordinary Reserves	11,258	11,258
	12,397	12,397

18.4.	31.03.2012	31.12.2011
General Reserves	(20,051)	(7,053)
	(20,051)	(7,053)

18.5.	31.03.2012	31.12.2011
Revaluation surpluses and special funds	14,307	14,309
	14,307	14,309

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NOTE 19 – SALES AND COST OF SALES

	01.01.-31.03.2012	01.01.-31.03.2011
Retail and wholesale sales	204,846	157,813
Other sales	28,487	17,372
	233,333	175,185
Minus: Deductions and returns	(2,103)	(1,451)
Sales revenues (net)	231,230	173,734
Cost of sales	(165,995)	(117,108)
Gross Profit	65,235	56,626

NOTE 20 – MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	01.01.-31.03.2012	01.01.-31.03.2011
Marketing, selling and distribution expenses	42,771	37,689
General administrative expenses	10,351	9,395
	53,122	47,084

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NOTE 21 – OPERATING EXPENSE BREAKDOWN

Marketing, selling and distribution expenses	01.01.-31.03.2012	01.01.-31.03.2011
Personnel expense	18,722	15,055
Office expense	5,131	4,899
Advertisement expense	2,005	2,146
Rent expense	10,024	8,945
Repair and maintenance expense	934	807
Packaging expenses	77	143
Security expense	224	276
Communication expense	31	51
Motor vehicle expenses	722	560
Insurance expense	188	202
Tax expense	408	500
Bank expense	213	272
Subscription expenses	79	70
Depreciation and amortization expense	2,628	2,455
Travelling expenses	903	780
Other	482	528
	42,771	37,689
General and administrative expenses		
Personnel expense	1,844	1,804
Travelling expense	122	820
Consulting expense	595	541
Office expense	856	132
Rent expense	501	157
Motor vehicle expense	1,379	994
Insurance expense	166	130
Repair and maintenance expense	171	98
Communication expense	233	183
Tax expense	283	140
Advertising expense	664	1,901
Provision for severance pay	862	891
Provision for doubtful receivables	203	53
Reversal of unnecessary provision	(171)	(787)
Depreciation and amortization expense	2,446	2,005
Other	197	333
	10,351	9,395

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NOTE 22 – INCOME/EXPENSE FROM OTHER OPERATIONS

Other operating income and profit	01.01.-31.03.2012	01.01.-31.03.2011
Insurance claim income	183	133
Income on sale of fixed assets	19	59
Import tax refund	55	--
Other	204	213
	461	405

Other operating expenses	01.01.-31.03.2012	01.01.-31.03.2011
Loss on sale of fixed assets	37	34
Loss on penalties and claims	100	124
Donation expenses	5	13
Lawsuit expenses and provisions	541	2,014
Tax expense	153	183
Other	106	437
	942	2,805

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NOTE 23 – FINANCIAL INCOME

	01.01.-31.03.2012	01.01.-31.03.2011
Term differences on credit sale	57	180
Interest income from related parties	3,028	1,623
Foreign exchange gain	9,412	31
Interest income	--	66
Other	--	46
	12,497	1,946

NOTE 24 – FINANCIAL EXPENSES

	01.01.-31.03.2012	01.01.-31.03.2011
Term differences on credit purchase	1,878	654
Interest and commission expense	7,954	3,907
Foreign exchange expense	2,724	798
Other	650	152
	13,206	5,511

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NOTE 25 - 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 31.03.2012 and 31.12.2011 is as follows:

Balance Sheet	31.03.2012	31.12.2011
Current period corporation tax expense	1,091	212
Prepaid taxes	--	(183)
	1,091	29
Income Statements	01.01.-31.03.2012	01.01.-31.03.2011
Current period corporation tax expense	(1,091)	(592)
Deferred tax income / (expense)	(1,569)	(871)
	(2,660)	(1,463)

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NOTE 25 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Continued)

b) Deferred Tax

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

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ (liabilities) provided at 31.03.2012 and 31.12.2011 using the enacted tax rates are as follows:

	<u>Total</u>		<u>Deferred tax asset/(liabilities)</u>	
	<u>temporary differences</u>		<u>31.03.2012</u>	<u>31.12.2011</u>
	<u>31.03.2012</u>	<u>31.12.2011</u>	<u>31.03.2012</u>	<u>31.12.2011</u>
Unearned interest on trade receivable	277	82	55	16
Provision for severance payments	5,663	5,107	1,133	1,022
Provision for doubtful receivables	10,289	10,257	2,058	2,051
Inventories	4,391	9,672	878	1,934
Cancellation of capitalized interest expense	26,313	26,313	5,263	5,263
Lawsuit provision	8,951	9,026	1,790	1,805
Previous year losses	11,631	11,860	2,326	2,372
Confirmation differences	815	1,741	163	348
Other	572	300	115	60
Unearned interest on trade payable	(2,481)	(2,320)	(496)	(464)
Revaluation difference on land and buildings	(9,764)	(9,764)	(1,953)	(1,954)
Revaluation differences on investment property	(5,135)	(5,135)	(1,027)	(1,027)
Difference on depreciation arising from recalculation with useful economic life	(62,246)	(60,697)	(12,449)	(12,139)
Other	(755)	(72)	(151)	(14)
Deferred tax assets	68,902	74,358	13,781	14,871
Deferred tax liabilities	(80,381)	(77,988)	(16,076)	(15,598)
Deferred tax assets / liabilities, net	(11,479)	(3,630)	(2,295)	(727)

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NOTE 25 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Continued)

Reconciliation of deferred tax as follows:	31.03.2012	31.12.2011
Deferred tax assets / (liabilities), net current period	(2,295)	(727)
Deferred tax assets / (liabilities), net beginning of the period (-)	727	1,981
	(1,568)	1,254
Deferred tax income / (expense)	(1,569)	1,379
Deferred tax related with equity	1	(125)
	(1,568)	1,254

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

	01.01.-31.03.2012	01.01.-31.12.2011
Profit before tax	10,923	(14,563)
Tax expense expected as a result of the main partnership tax rate (20%)	(2,185)	2,913
Group's expected tax expense	(2,185)	2,913
Effect of tax disallowed expenses	(283)	(175)
The effect of used previous year losses	46	--
Statutory period loss	--	(3,092)
Other differences	(238)	1,521
Group's tax expense for the period	(2,660)	1,167

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NOTE 26 – EARNINGS PER SHARE

	01.01.-31.03.2012	01.01.-31.03.2011
Net profit/(loss) for the period	8,263	2,114
Minority's net loss/(profit) for the period	(126)	373
Profit attributable to equity holders of company	8,137	2,487
Weighted average number of outstanding ordinary shares	134,620,000	130,229,589
Earnings per share (TL)	0.0604	0.0191

NOTE 27 - RELATED PARTIES DISCLOSURES

As detailed in conditions c and d below, the Group has entered into several financing transactions with its related parties. No interest has been calculated on these amounts. According to the Board of Directors' decision dated 30.07.2010 numbered 184, all receivables/debts which are given/obtained to/from related parties with the aim of financing will be subject to interest and interest rate is %11.5.

The Group has borrowed loans amounting TL 25,000 and USD 30,050 on behalf of Kiler Holding A.Ş., and then passed through these loans to Kiler Holding A.Ş. According to the Board of Directors' decision dated 20.12.2011 numbered 2011/67, the Group decided to charge all finance cost directly to Kiler Holding A.Ş. The previous application was to calculate 11.5% interest for the receivables from Kiler Holding A.Ş.

a) Trade receivables from related parties

	31.03.2012	31.12.2011
Klr İnşaat Tic. Ltd. Şti.	748	699
Tureks Turizm Taşımıcılık İnşaat Akaryakıt İstasyon		
Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi A.Ş.	664	732
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	9,505	--
Other	2	80
	10,919	1,511

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NOTE 27 - RELATED PARTIES DISCLOSURES (Continued)

b) Trade payables to related parties	31.03.2012	31.12.2011
Kütahya Şeker Fabrikası A.Ş.	--	415
Bağcı Sebze Meyve Tar. Ürünleri Su Ür. Soğuk Hav. Depo Tic. A.Ş.	572	9
Kiler Sebze ve Meyve Komisyoncusu – Ümit Kiler	975	1,034
KBC Gıda San. Tic. Ltd. Şti.	837	51
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	601	--
Other	76	81
	3,061	1,590
	3,061	1,590
b) Notes payable to related parties:	31.03.2012	31.12.2011
Kiler Sebze ve Meyve Komisyoncusu – Ümit Kiler	1,364	608
Other	239	457
	1,603	1,065
	1,603	1,065
c) Other receivables from related parties	31.03.2012	31.12.2011
Kiler Holding A.Ş.	87,486	67,822
Biskon Yapı A.Ş.	2,838	2,859
Nahit Kiler	19,928	12,440
Vahit Kiler	726	656
Ümit Kiler	20,779	11,670
Other	494	429
	132,251	95,876
	132,251	95,876

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NOTE 27 - RELATED PARTIES DISCLOSURES (Continued)

d) Other payables to related parties	31.03.2012	31.12.2011
İmperyay/İmper Yayıncılık ve Reklamcılık A.Ş.	138	147
Kütahya Şeker Fabrikası A.Ş.	162	162
Other	468	468
	768	777
e) Other current assets from related parties:	31.03.2012	31.12.2011
Kütahya Şeker Fabrikası A.Ş.	225	--
	225	--
f) Sales to related parties:	01.01.- 31.03.2012	01.01.- 31.03.2011
Kiler Holding A.Ş.	2,318	1,653
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	9,007	12
Kiler Alışveriş Hizmetleri Gıda San. Tic. Ltd. Şti.	1	1,879
Other	1,090	230
	12,416	3,774

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NOTE 27 - RELATED PARTIES DISCLOSURES (Continued)

g) Purchases from related parties	01.01.- 31.03.2012	01.01.- 31.03.2011
Kiler Holding A.Ş.	2,757	44
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	5,157	9,846
Kbc Gıda San. Tic. Ltd. Şti.	3,882	2,076
Kiler Sebze ve Meyve Komisyoncusu – Ümit Kiler	3,805	--
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	895	781
Other	1,785	31
	18,281	12,778

h) Remuneration of the management

The total remuneration of the chairman, the members of Board and the top management, amounted to TL 75 for the period ended 31.03.2012(01.01-31.12.2011: TL 371)

NOTE 28 – EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

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

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NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	31.03.2012	31.12.2011
Assets	16,782	97
Liabilities	(170,295)	(161,991)
Net foreign currency position	(153,513)	(161,894)

31.03.2012	TL Equivalent	USD	EURO	GBP
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and bank accounts)	16,782	9,439	19	1
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	16,782	9,439	19	1
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)	16,782	9,439	19	1
10. Trade payables	16	9	--	--
11. Financial liabilities	88,960	47,974	1,651	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	88,976	47,983	1,651	--
14. Trade payables	--	--	--	--
15. Financial liabilities	81,319	45,868	--	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	81,319	45,868	--	--
18. Total liabilities (13+17)	170,295	93,851	1,651	--
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)	(153,513)	(84,412)	(1,632)	1
21. Monetary net foreign currency position / (UFRS 7.B23)	--	--	--	--
(=1+2a+5+6a-10-11-12a-14-15-16a)	--	--	--	--
22. Total fair value of financial instruments for hedge	--	--	--	--
23. Exports	--	--	--	--
24. Imports	--	--	--	--

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NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

31.12.2011

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
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(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

Foreign currency sensitivity analyzing table				
31.03.2012				
	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	(14,965)	14,965	(14,965)	14,965
2- Hedging part of USD risk (-)	--	--	--	--
3-USD net effect (1+2)	(14,965)	14,965	(14,965)	14,965
	If EUR change 10% against TL:			
4- EUR net assets/liabilities	(386)	386	(386)	386
5- Hedging part of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	(386)	386	(386)	386
Total (3+6)	(15,351)	15,351	(15,351)	15,351

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
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NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

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 EUR change 10% against TL:			
4- EUR net assets/liabilities	(513)	513	(513)	513
5- Hedging part of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	(513)	513	(513)	513
Total(3+6)	(16,190)	16,190	(16,190)	16,190

NOTE 29 - FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

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

Financial risk management objectives

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

NOTE 30 - POST BALANCE SHEET EVENTS

- a. Group has opened 3 stores after the balance sheet date.
- b. After the balance sheet date the group is planning to open 2 stores, rent agreements related with these stores is signed as of balance sheet date.