KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş. CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 01.01. – 31.12.2011 TOGETHER WITH AUDITOR'S REPORT

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET A.Ş.
INDEPENDENT AUDITOR'S REPORT
AS OF AND FOR THE YEAR ENDED 01.01.-31.12.2011

To the shareholders of
Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş.

1. We have audited the consolidated financial statements of Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş. and its subsidiaries (together "the group"), which comprise the consolidated balance sheets as of and for the years ended 31 December 2011 the consolidated statements of comprehensive income, the statements of changes in equity and the cash flow statements for the years ended 31 December 2011 a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

5. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects; the financial position of Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret A.Ş as of 31 December 2011, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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

Ajda Düzgün Ertuğrul
Partner

Istanbul, 10.04.2012

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KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.

CONSOLIDATED BALANCE SHEETS AS OF 31.12.2011 AND 2010

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

	Notes	Audited 31.12.2011	Audited 31.12.2010
ASSETS			
Current Assets		**436,675**	**355,180**
Cash and cash equivalents	6	42,008	36,539
Financial investments	7	--	--
Trade Receivables			
- Trade receivables from related parties	10 - 37	1,485	9,132
- Trade receivables from third parties	10	2,264	2,248
Receivables from finance sector operations	12	--	--
Other receivables			
- Other receivables from related parties	11 - 37	95,876	89,980
- Other receivables from third parties	11	1,218	1,117
Inventories	13	278,129	204,162
Live assets	14	--	--
Other current assets	26	15,695	12,002
(Subtotal)		436,675	355,180
Assets held for sale and discontinued operations	34	--	--
Non-Current Assets		**299,805**	**247,456**
Trade receivables	10	--	--
Receivables from finance sector operations	12	--	--
Other receivables	11	--	--
Financial investments	7	54	54
Investment accounted for using the equity method	16	--	--
Live assets	14	--	--
Investment properties	17	52,417	49,184
Property, plant and equipment	18	152,591	133,236
Intangible assets	19	742	497
Goodwill	20	73,568	43,652
Deferred tax asset	35	14,871	10,254
Other assets	26	5,562	10,579
TOTAL ASSETS		**736,480**	**602,636**

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED BALANCE SHEETS AS OF 31.12.2011 AND 2010
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Audited 31.12.2011	Audited 31.12.2010
LIABILITIES			
Short-term liabilities		**405,974**	**316,083**
Financial liabilities	8	222,791	130,741
Other financial liabilities	9	--	--
Trade payables			
- Trade payables to related parties	10 - 37	2,617	4,738
- Trade payables to third parties	10	143,581	140,653
Other payables			
- Other payables to related parties	11 - 37	777	21,575
- Other payables to third parties	11	18,932	4,446
Payables from finance sector operations	12	--	--
Government grants	21	--	--
Taxation on income	35	29	109
Provisions for payables	22	9,026	7,869
Other short-term liabilities	26	8,221	5,952
(Subtotal)		405,974	316,083
Liabilities directly associated with the assets classified as held for sale	34	--	--
Long-term liabilities		**122,506**	**133,384**
Financial liabilities	8	71,967	109,025
Other financial liabilities	9	--	--
Trade payables	10	3,845	8,275
Other payables	11	25,989	--
Payables from finance sector operations	12	--	--
Government grants	21	--	--
Provisions for payables	22	--	--
Provision for employee termination benefits	24	5,107	3,849
Deferred tax liabilities	35	15,598	12,235
Other long-term liabilities	26	--	--
EQUITY		**208,000**	**153,169**
Company shareholders' equity	27	**207,422**	**140,275**
Share capital		134,620	121,120
Investment and share capital eliminating adjustments (-)		--	--
Positive distinction from share capital adjustment		--	--
Premium in access of par		66,150	--
Revaluation fund		14,309	13,811
Foreign currency translation differences		--	--
Legal reserves		12,397	12,162
General Reserves		(7,053)	(16,702)
Net profit/loss for the year		(13,001)	9,884
Minority interest		578	12,894
TOTAL LIABILITIES		**736,480**	**602,636**

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR PERIODS 01.01.-31.12.2011 AND 01.01.-31.12.2010
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Notes	Audited 01.01.-31.12.2011	Audited 01.01.-31.12.2010
CONTINUING OPERATIONS			
Sales	28	780,528	771,218
Cost of sales (-)	28	(543,017)	(554,047)
GROSS PROFIT / (LOSS)		**237,511**	**217,171**
Marketing, selling and distribution expenses (-)	29	(161,954)	(139,519)
General administrative expenses (-)	29	(36,990)	(37,377)
Research and development expenses (-)		--	--
Income from other operations	31	4,809	4,562
Expense from other operations (-)	31	(10,169)	(7,715)
OPERATING INCOME / (LOSS)		**33,207**	**37,122**
Equity income / (loss) from investments in associates		--	--
Financial income	32	15,502	27,197
Financial expenses (-)	33	(63,272)	(50,592)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**(14,563)**	**13,727**
Tax income / (expense) from continuing operations		**1,167**	**(3,737)**
- Taxation on income	35	(212)	(2,716)
- Deferred tax income / (expense)	35	1,379	(1,021)
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		**(13,396)**	**9,990**
DISCONTINUED OPERATIONS		--	--
Profit / loss from discontinued operations (net of income tax)		--	--
PROFIT FOR THE YEAR		**(13,396)**	**9,990**
Other comprehensive income:			
Changes in fair value on available for sale securities		--	--
Changes in fair value of land and buildings		623	--
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		(125)	--
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		498	--
TOTAL COMPREHENSIVE INCOME / (LOSS)		(12,898)	9,990
Distribution of Profit / (Loss)			
Minority interests		(395)	106
Equity holders of the Company		(13,001)	9,884
Distribution of Comprehensive Income / (Loss)			
Minority interests		(395)	106
Equity holders of the Company		(12,503)	9,884
Earnings Per Share	36	(0.0973)	0.0819
Earnings Per Share From Continuing Operations	36	(0.0973)	0.0819

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR YEARS ENDED 31.12.2011 AND 2010
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

	Share Capital	Equity Restatement Differences	Revaluation Fund	Legal Reserves	General Reserves	Net Profit (Loss) For The Year	Minority Interest	Total Shareholders' Equity
Balance at 31.12.2009	**101,200**	**--**	**28,931**	**12,039**	**(24,541)**	**7,962**	**12,788**	**138,379**
Transfer to reserves	--	--	--	--	7,962	(7,962)	--	--
Capital increases	4,800	--	--	--	--	--	--	4,800
Equity injections from shareholders (Note 27)	15,120	--	(15,120)	--	--	--	--	--
Transfer to legal reserves	--	--	--	123	(123)	--	--	--
Net profit for the year	--	--	--	--	--	9,884	106	9,990
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 (Note 27)	--	66,150	--	--	--	--	--	66,150
Increase in fair value of land and buildings (Note 18)	--	--	498	--	--	--	--	498
Purchase of additional shares of subsidiaries	--	--	--	--	--	--	(11,921)	(11,921)
Transfer to legal reserves	--	--	--	235	(235)	--	--	--
Net loss for the year	--	--	--	--	--	(13,001)	(395)	(13,396)
Balance at 31.12.2011	**134,620**	**66,150**	**14,309**	**12,397**	**(7,053)**	**(13,001)**	**578**	**208,000**

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

KİLER ALIŞVERİŞ HİZMETLERİ A.Ş.
CONSOLIDATED CASH FLOW STATEMENTS FOR YEARS ENDED 31.12.2011 AND 2010
(All amounts in thousands of Turkish Lira (TL) unless indicated otherwise.)

CASH FLOWS DUE FROM OPERATING ACTIVITIES	**Notes**	**Audited 01.01.-31.12.2011**	**Audited 01.01.-31.12.2010**
Profit / (loss) before tax		(14,563)	13,727
Adjustments to reconcile net income to net cash provided by operating activities		**59,576**	**45,794**
Depreciation and amortization		18,969	18,713
Provision for employee termination benefit	24	2,688	2,043
Profit on sale of fixed assets	31	(322)	(154)
Loss on sale of fixed assets	31	180	183
Provision for doubtful receivables, net	10-11-26	852	5,998
Interest income	32	(8,441)	(2,703)
Interest expense	33	22,826	17,011
Foreign exchange gains	32	(5,998)	(23,400)
Foreign exchange losses	33	32,710	29,014
Unearned interest on trade receivables		(47)	(179)
Unearned interest on trade payables		(1,099)	1,305
Fair value of investment properties		(3,233)	(2,098)
Impairment on land and buildings		491	61
Operating income before changes in assets and liabilities related with operating activities		**45,013**	**59,521**
Changes in trade receivables		7,515	(2,354)
Changes in inventories		(73,967)	(43,089)
Changes in other receivables		(159)	(1,243)
Changes in other current assets		(4,324)	2,730
Changes in other non-current assets		5,017	1,147
Changes in trade payables		(2,524)	(10,711)
Changes in other payables		40,475	1,300
Changes in provision for payables		1,157	2,434
Changes in other current liabilities		2,269	1,634
Taxes paid		(294)	(3,524)
Employee termination benefit paid	24	(1,430)	(762)
Net cash provided by operating activities		**18,748**	**7,083**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	18	(39,276)	(7,326)
Purchase of intangible assets	19	(444)	(206)
Purchase of investment properties	17	--	(23,846)
Sale of property, plant and equipment	18	1,425	1,112
Goodwill		(29,916)	--
Net cash provided from / (used in) investing activities		**(68,211)**	**(30,266)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of financial liabilities		(160,150)	(112,914)
Loans obtained		185,099	217,408
Interest expense		(21,431)	(20,011)
Foreign exchange gains		5,412	11,073
Foreign exchange losses		(3,474)	(18,042)
Interest income		8,441	2,703
Other receivables from related parties		(5,896)	(39,342)
Other payables to related parties		(20,798)	(19,615)
Change in the share of minority		(11,921)	--
Share capital increases		13,500	4,800
Premium in access of par	27	66,150	--
Net cash provided from / (used in) financial activities		**54,932**	**26,060**
Changes in cash and cash equivalents		**5,469**	**2,877**
Cash and cash equivalents at the beginning of the period		36,539	33,662
Cash and cash equivalents at the end of the period		42,008	36,539

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

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

NOTE 1 – COMPANY'S ORGANIZATION AND NATURE OF OPERATIONS

Kiler Alışveriş Hizmetleri Gıda San. ve Tic. A.Ş. ("Kiler" or "Kiler Alışveriş") was established in 1994 in Istanbul. Kiler is mainly engaged in retail and wholesale of essential goods. As of 31.12.2011, Kiler has 125 stores (31.12.2010: 105) and together with its consolidated subsidiary total number of stores is 193 (31.12.2010: 173). As of 31.12.2011, Kiler has 3,376 employees (31.12.2010: 2,954).

Kiler Alışveriş purchased the property, plant and equipment of 12 of the Yimpaş chain stores in August 2008 and rented these stores. 10 of these stores underwent renewal modifications and were opened for service in 2008. The renewal modifications of the remaining 2 stores were completed and opened for service in February 2009.

Kiler's registered address is Namık Kemal Neighborhood, 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:

	Economic interest (%)		**Ownership interest rate (%)**	
Consolidated Company	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Kiler Ankara Mağazacılık Sanayi Ticaret A.Ş.	96	47	96	54

(*)Kiler Ankara Mağazacılık Sanayi ve Ticaret A.Ş. belongs to the Canerler store chains which were bought by the Canerler family in 2005. The chain consisted of 49 stores, 1 integrated meat processing facility, 1 management building, a bakery production facility and a commodity warehouse. 47% of the Canerler store chain was purchased by Kiler Alışveriş and 3% of these shares were bought by Kiler Alışveriş's shareholders; Ümit Kiler, Nahit Kiler and Vahit Kiler. The A group shares held by Kiler Alışveriş and the Kiler family have the right of choosing 4 out of the 7 members of the board of directors for their own representation. The remaining 50% of the shares which represent the B group shares have the right of choosing 3 out of 7 members for the board of directors.

The remaining Kiler Ankara shares are purchased by Kiler Alışveriş from Canerler family in 2011 as detailed in Note 41 and as of the 31.12.2011 the share percentage is increased from 47% to 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 31.12.2011, there were 68 stores in Ankara (under the banner of Kiler) (31.12.2010:68). As of 31.12.2011, the number of personnel employed was 1,641 (31.12.2010: 1,641).

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of Presentation

The consolidated financial statements of the Group have been prepared in accordance with 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.

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. The effect of this change in accounting policy is explained in Note 17 and Note 18.

2.8. Critical accounting estimates, assumptions and judgment
The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date and the significant judgments are set out below:

- Allowance for doubtful debts reflect the amount set aside for the losses in the future related to receivables which exist at the balance sheet date but which, in the opinion of the management, carry the risk of collection due to current economic conditions. When evaluating whether receivables have suffered a loss in value the past performance of the debtors, their credibility in the market and their performance between the balance sheet date and report date together with changed circumstances are taken into consideration. In addition the collaterals existing as at the balance sheet date together with new collaterals obtained between the balance sheet date and report date are also taken into consideration. The allowance for doubtful receivables as of the balance sheet dates are explained under note 10 and 11.

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

- When setting aside the provision for legal claims the probability of losing the related case and the results expected to be suffered in the event that the legal counsel of the Group and management of the Group make their best estimates to calculate the provision required.

- As for the diminution in value of inventories, all inventories are subjected to review and their usage possibility ascertained on the basis of the opinion of the technical personnel; provisions are set aside for items expected not to have usage possibility. Calculation of net realizable values of stocks is based on selling prices as disclosed by selling price lists after deduction of average discounts given during the year and selling expenses to be incurred for the realization of stocks. If the net realizable value of any inventory falls under its cost price appropriate provisions are accordingly set aside (Note 13).

- 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 14).

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.

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

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

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

	Year
Buildings	50
Machinery and equipment	10-20
Vehicles	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.

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

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

Measurement subsequent to initial recognition
IAS 40 permits entities to choose between the fair value model and the cost model.

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

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

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

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

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

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

Goodwill
Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

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

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

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

Financial investments
The Group classifies its financial assets held for trading.

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

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

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

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

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

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

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

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.

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

Leases

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

Related Parties

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.

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.

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

The new and amended IFRS and International Financial Reporting Interpretations Committee (''IFRIC'') interpretations effective for the financial period ending at December 31, 2011:

In the current year, 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 31.12.2011 and that are relevant to its operations.

- IFRIC 14 (Amended) ''Prepayments of a Minimum Funding Requirement''
- IFRIC 19 ''Extinguishing Financial Liabilities with Equity Instruments''
- IAS 32 (Revised) ''Classification on Rights Issues''
- IAS 24 (Revised) 'Related Party Disclosures'
- Improvements to IFRSs (published in May 2010):

These standards amendments, improvements and interpretations to IFRSs do not have any significant impact on the financial statements of the Group.

Standards amendments, improvements and interpretations to IFRSs with an effective date on or after 31.12.2011:

The new and amended IFRS and IFRIC interpretations, which are published but not effective as at the date of the approval of the financial statements and not early adopted by the Group, are as follows:

IFRS 9 Financial Instruments: Phase 1 Financial Assets, Classification and Measurement
The amendments to IFRS 9 "Financial Instruments" made in December 2011 will be effective for annual periods beginning on or after 01.01.2015. Phase 1 of IFRS 9 Financial Instruments introduces new requirements for classifying and measuring financial assets and financial liabilities. Amendments to IFRS 9 "Financial Instruments" will primarily affect reclassification and measurement of financial assets; and financial liabilities measured at fair value through profit or loss and require that fair value changes of these financial liabilities, which are related to credit risk, are presented in comprehensive income statement. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is assessing the impact of the new standard on its financial statements.

IAS 12 Deferred Tax: Recovery of Underlying Assets effective (Amendment);
The amendment to IAS 12 is mandatory for annual periods beginning on or after 01.01.2012, but early adoption is permitted. IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non- depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This standard has not yet been endorsed by the EU. The standard is not expected to have an impact on the financial statements of the Group.

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

IFRS 7 'Financial Instruments: Disclosure as part of its comprehensive review of off balance sheet activities' (Amendment);
The amendment is effective for annual periods beginning on or after 01.07.2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transaction of financial assets (e.g. securitizations), including understanding the possible effects of additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs. This standard has not yet been endorsed by the EU. It is not expected to have an impact on the financial statements of the Group.

IFRS 7 Disclosures—Offsetting Financial Assets and Financial Liabilities (Amendment)
Disclosures present to financial statement users useful information for i) evaluation of possible effects of offset transactions on the financial position of the Company and ii) comparison and analysis of financial statements prepared in accordance with IFRS and under other generally accepted standards set. This amendment has not yet been endorsed by the EU. The amendments s will be applicable retrospectively for annual periods beginning on or after 1 January 2013. These changes will affect only the presentation and it is not expected to have an impact on the financial statements of the Group.

IFRS 10 "Consolidated Financial Statements"
The standard is effective from 01.01.2013 and will be implemented retrospectively with some amendments. It is permitted to be applied early, if it is applied together with IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interest in Other Entities. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" for the part related to consolidation. IFRS 10 aims to address these concerns with a new, principle-based, definition of control that will be applied to all types of investee (including special purpose vehicles and more conventional voting interest entities) to determine which are consolidated. This standard is a principal basis standard, which gives financial statement preparers more space to decide. This standard has not yet been endorsed by the EU. It is not expected to have an impact on the financial statements of the Group.

IFRS 11 Joint Arrangements
The standard will be applicable for annual periods beginning on or after 01.01.2013 and will be implemented retrospectively with some amendments. It is permitted to be applied early, if it is applied together with IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interest in Other Entities. The standard deals with the accounting by the investors with their rights and obligations related to joint ventures and joint arrangements. The option of using proportionate consolidation has been eliminated. This standard has not yet been endorsed by the EU. It is not expected to have an impact on the financial statements of the Group.

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

IFRS 12 Disclosure of Interests in Other Entities
The standard will be applicable for annual periods beginning on or after 01.01.2013 and will be implemented retrospectively with some amendments. It is permitted to be applied early, if it is applied together with IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interest in Other Entities. The Standard integrates and makes consistent the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities, previously under IAS 27 "Consolidated and Separate Financial Statements", IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures". This standard has not yet been endorsed by the EU. It is not expected to have an impact on the financial statements of the Group.

IFRS 13 Fair Value Measurement
The Standard provides guidance on fair value measurement, however does not affect when or how fair value will be used and/or have to be used. The standard clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. The standard is applicable for annual periods beginning on or after 1 January 2013. Additional disclosures will be made starting from the period IFRS 13 is implemented and comparative disclosures are not required. This standard has not yet been endorsed by the EU. It is not expected to have an impact on the financial statements of the Group.

IAS 27 Separate Financial Statements (Amendment)
As a result of issuing IFRS 10 and IFRS 12, some changes have been made to IAS 27. As a result of changes made, IAS 27 only deals with the accounting requirements of subsidiaries, joint ventures, jointly controlled subsidiaries and associates in separate financial statements. Transitional provisions are identical as with IFRS 10. This standard has not yet been endorsed by the EU. It is not expected to have an impact on the financial statements of the Group.

IAS 28 Investments in Associates and Joint Ventures
The standard has been amended as "Investments in Associates and Joint Ventures" consequent to the issue of IFRS 11 and IFRS 12. According to changes made, IAS 28 brings equity accounting for investments in joint ventures alongside associates. The transitional provisions are the same as IFRS 11. This standard has not yet been endorsed by the EU. It is not expected to have an impact on the financial statements of the Group.

IAS 32 "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendment)"
Amendments clarify that an entity currently has a legally enforceable right to set off if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. Gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk and process receivables and payables in a single settlement process or cycle. Amendments to IAS 32 are effective for annual periods beginning on or after 01.01.2014 and are to be applied retrospectively. It is not expected to have an impact on the financial statements of the Group.

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

IAS 19 Employee Benefits (Revised)
The standard will be applicable for annual periods beginning on or after 01.01.2013 and is allowed to be implemented early. It will be implemented retrospectively with some exceptions. The amendments change the accounting treatment for defined benefit plans and termination benefits. One of the most important changes made relate to the elimination of the corridor method and the determination of short-term and long- term employee benefits obligations according to the estimated payment dates rather than on an earned basis. This standard has not yet been endorsed by the EU. The Group has yet to assess the impact of the revised standard on the Group's financial statements.

IAS 1 Presentation of Items of Other Comprehensive Income (Amendment)
Amendments are applicable for annual periods beginning on or after 01.07.2012. The amendments affect the grouping of items presented in other comprehensive income. The amendments require that items, which will be reclassified subsequently to profit and loss (or reversed), will be presented separately from items which will not be reclassified subsequently to profit or loss. This standard has not yet been endorsed by the EU. These changes will only affect the presentation of items in other comprehensive income and is not expected to have an impact on financial statements of the Group.

2.5 Prior Period Comparative Information and Restatement of Prior

To enable the determination of financial condition and performance trends, the Group discloses comparative information is respect of the previous period. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current year so that the reclassification will result in a more appropriate presentation of events or transactions. Accordingly, in the comparative income statement of 2009, TL 303.661 of interest cost has been reclassified from marketing, sales and distribution of costs to financial expenses, under the representation requirement of IAS 19 "Employee Benefits" related to employment benefits calculation taking into account the real discount rate and expected inflation.

2.6 Changes in Accounting Estimates and Corrections of Errors

Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current year so that the reclassification will result in a more appropriate presentation of events or transactions.

The effect of a change in accounting policy is applied retrospectively. Adjustments relating to prior periods are made to the opening balance of retained earnings. The effect of a change in accounting policy should be applied prospectively only when the amount of the adjustment to the opening balance of retained earnings cannot be reasonably determined. The effect of a change in an accounting estimate should be included in the determination of net profit or loss in the period of the change, if the change affects the period only; or the period of the change and future periods, if the change affects both. 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. The application of an accounting policy for transactions, other events or conditions that differ in substance from those previously occurring and for transactions and other events or conditions that did not occur previously or were immaterial.

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

NOTE 3 - BUSINESS COMBINATIONS

None (31.12.2010: None).

NOTE 4 - JOINT VENTURES

None (31.12.2010: None).

NOTE 5 - SEGMENT REPORTING

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

NOTE 6 - CASH AND CASH EQUIVALENTS

	31.12.2011	31.12.2010
Cash	9,003	7,331
Banks		
- Demand Deposit – TL	4,806	3,416
- Demand Deposit – USD	47	230
- Demand Deposit – EURO	48	79
- Demand Deposit – GBP	4	37
Credit Card Receivables	28,100	25,446
	42,008	**36,539**

NOTE 7 – FINANCIAL INVESTMENTS

	31.12.2011		31.12.2010	
Long Term:	**Percentage (%)**	**TL**	**Percentage (%)**	**TL**
KBC Gıda San. Tic. Ltd. Şti.	10.85	54	10.85	54
		54		**54**

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

NOTE 8 – FINANCIAL LIABILITIES

	31.12.2011	31.12.2010
Short Term		
Bank Loans		
- TL	123,381	47,387
- USD	93,030	83,216
- EURO	5,176	31
Leasing payables	1,204	107
	222,791	**130,741**
Long Term		
Bank Loans		
- TL	4,267	17,447
- USD	63,752	91,146
- EURO	--	24
Leasing payables	3,948	408
	71,967	**109,025**

The maturity of financial liabilities is listed below:

	31.12.2011	31.12.2010
0 - 3 months	44,888	39,385
3 - 12 months	177,903	91,356
1 - 2 years	41,530	59,012
2 - 3 years	29,472	28,003
3 – 4 years	965	22,010
	294,758	**239,766**

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

NOTE 8 - 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**

NOTE 8 - 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 27).
(4) Kiler Holding A.Ş., the shareholders of Kiler Alışveriş, pledged 9% of Kiler Alışveriş shares on behalf of the lender (Note 27).
(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.

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

NOTE 8 - FINANCIAL LIABILITIES (Continued)

As of 31.12.2010, the detail of financial liabilities is listed below (Leasing payables are excluded):

	Currency	Maturity	Nominal Balance	Book Value
Unguaranteed loan	TL	02.01.2011	893	893
Loan under guarantee (8)	TL	04.01.2013	233	235
Loan under guarantee (8)	TL	21.04.2012	20	20
Loan under guarantee (1)	TL	02.03.2011	2,000	2,213
Loan under guarantee (1)	TL	17.02.2011	2,000	2,218
Loan under guarantee (1)	TL	07.03.2011	500	552
Loan under guarantee (1)	TL	15.03.2011	1,000	1,100
Loan under guarantee (1)	TL	13.05.2011	800	866
Loan under guarantee (1)	TL	23.06.2011	600	640
Loan under guarantee (1)	TL	21.06.2011	1,400	1,404
Loan under guarantee (1)	TL	28.03.2011	900	986
Loan under guarantee (1)	TL	22.01.2011	2,000	2,005
Loan under guarantee (8)	TL	17.08.2011	43	43
Loan under guarantee (6)	USD	03.01.2014	13,888	14,163
Loan under guarantee (5)	USD	03.01.2014	2,083	2,123
Loan under guarantee (5)	USD	03.01.2014	2,967	3,025
Loan under guarantee (4)	TL	01.10.2011	4,000	4,120
Loan under guarantee (4)	TL	01.10.2012	23,000	23,692
Loan under guarantee (4)	USD	01.08.2011	12,863	13,293
Loan under guarantee (1)	TL	01.03.2011	500	512
Loan under guarantee (1)	TL	29.03.2011	750	773
Loan under guarantee (1)	TL	24.12.2011	3,000	3,005
Loan under guarantee (1)	USD	12.12.2011	3,865	3,879
Loan under guarantee (3)	USD	03.07.2014	85,030	87,008
Loan under guarantee (3)	USD	06.07.2011	30,920	31,448
Loan under guarantee (2)	USD	31.08.2012	16,573	17,043
Loan under guarantee (8)	TL	10.07.2012	77	78
Loan under guarantee (8)	TL	07.12.2012	33	34
Loan under guarantee (8)	EURO	18.10.2012	55	56
Unguaranteed loan	TL	03.01.2011	471	471
Loan under guarantee (7)	TL	30.03.2011	6,250	6,250
Loan under guarantee (1)	TL	04.08.2011	9,700	10,162
Loan under guarantee (1)	TL	25.02.2011	90	90
Loan under guarantee (1)	TL	23.02.2011	147	148
Loan under guarantee (1)	TL	02.02.2011	259	260
Loan under guarantee (1)	TL	02.02.2011	259	260
Loan under guarantee (1)	TL	25.01.2011	130	130
Loan under guarantee (1)	TL	26.01.2011	194	196
Loan under guarantee (1)	TL	07.03.2011	194	195
Loan under guarantee (1)	TL	16.03.2011	78	78
Loan under guarantee (8)	TL	04.01.2013	793	817
Loan under guarantee (8)	TL	10.07.2012	77	78
Loan under guarantee (1)	USD	16.07.2012	2,374	2,379
Loan under guarantee (1)	TL	23.03.2011	186	186
Loan under guarantee (1)	TL	29.03.2011	62	62
Loan under guarantee (1)	TL	31.03.2011	62	62
			233,319	**239,251**

NOTE 8 - FINANCIAL LIABILITIES (Continued)

(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 81% of Kiler Alışveriş shares on behalf of the lender (Note 27).
(4) Kiler Holding A.Ş., the shareholders of Kiler Alışveriş, pledged 9% of Kiler Alışveriş shares on behalf of the lender (Note 27).
(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.

As of 31.12.2010 average effective rates are 12.23% for financial liabilities in TL, 5.68% for financial liabilities in USD and 6.98% for financial liabilities in EURO.

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

NOTE 9 – OTHER FINANCIAL LIABILITIES

None (31.12.2010: None).

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

Short term	**31.12.2011**	**31.12.2010**
Accounts Receivables		
- Third Parties	2,859	2,759
- Related Parties (Note 37)	1,511	5,628
Notes Receivables		
- Third Parties	294	201
- Related Parties (Note 37)	--	3,591
	4,664	12,179
Deferred financing expense (-)	(82)	(129)
Provision for doubtful receivables (-)	(833)	(670)
	3,749	**11,380**

The movement of provision for doubtful receivables is listed below:

	01.01-31.12.2011	**01.01-31.12.2010**
Opening balance	670	592
Charge for period	163	78
Closing balance	**833**	**670**

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade receivables from third parties maturity is listed below:

	31.12.2011	**31.12.2010**
Overdue received (*)	833	670
Between 1-3 months	1,820	345
Between 3-6 months	500	1,945
	3,153	**2,960**

Trade receivables from related parties maturity is listed below:

	31.12.2011	**31.12.2010**
Overdue received (*)	--	2,142
Between 1-3 months	812	4,532
Between 3-6 months	699	2,545
	1,511	**9,219**

The Group's sales are generally retail sales in cash. The average collection period for the Company's trade receivables from related parties is 45 days (2010:45) and for other trade receivables is 45 days (2010:60).

A provision of TL 833 (2010: TL 670) has been set aside for the above mentioned overdue receivables which are without sufficient security, Group does not foresee any collection risk for the remaining balance amounting TL 2,142 based on sectoral conditions.

	31.12.2011	**31.12.2010**
Trade payables		
- Third Parties	127,617	124,412
- Related Parties (Note 37)	1,590	4,776
Notes Payable		
- Third Parties	18,061	17,211
- Related Parties (Note 37)	1,065	--
Other Trade Payables	184	212
	148,517	146,611
Deferred Financing Income (-)	(2,319)	(1,220)
	146,198	**145,391**

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

Long-term trade payables	**31.12.2011**	**31.12.2010**
Notes Payable		
- Third Parties	3,845	8,275
	3,845	**8,275**

Trade Payables to third parties maturity listed below:

	31.12.2011	**31.12.2010**
Overdue payables	--	654
Between 1-3 months	134,727	138,954
Between 3-6 months	8,901	1,070
Between 6-12 months	2,234	1,157
More than one year	3,845	8,275
	149,707	**150,110**

Trade Payables to related parties maturity listed below:

	31.12.2011	**31.12.2010**
Between 1-3 months	2,655	4,776
	2,655	**4,776**

The average payment period for the Company's trade payables to related parties is 30 days (2010:45) and for other trade payables is 45 days (2010:30).

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

NOTE 11 – OTHER RECEIVABLES AND PAYABLES

Short term receivables:	**31.12.2011**	**31.12.2010**
Sundry receivables		
- Third parties	3,280	3,175
- Related parties (Note 37)	95,876	89,980
Provision from doubtful receivables (-)	(2,062)	(2,058)
	97,094	**91,097**

Provision for other doubtful receivables is listed below:

	01.01.- 31.12.2011	**01.01.- 31.12.2010**
Opening balance	2,058	1,140
Charge for period	460	1,355
Proceeds from doubtful receivables	(402)	(371)
Doubtful receivables written-off	(54)	(66)
Closing balance	**2,062**	**2,058**

Short term payables:	**31.12.2011**	**31.12.2010**
Due to personnel	4,050	3,336
Order advances received	33	125
Other sundry payables		
- Third parties(*)	14,849	985
- Related parties (Note 37)	777	21,575
	19,709	**26,021**

Long term payables:	**31.12.2011**	**31.12.2010**
Other sundry payables		
- Third parties(*)	25,989	--
	25,989	**--**

(*)The other payable to third parties amounting TL 32,000 is related with notes payable given for the purchase of Kiler Ankara shares from Canerler family and TL 7,359 is related with notes payable given for the purchase of a building in Kavacık, Istanbul.

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

NOTE 12 – RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None (31.12.2010: None).

NOTE 13 - INVENTORIES

	31.12.2011	**31.12.2010**
Raw materials	4,675	3,402
Merchandises (*)	274,314	200,936
Other inventories	115	137
Provision for diminution in value (-)	(975)	(313)
	278,129	**204,162**

(*)In 2010, the Company determined to sell its slow moving merchandises amounting to TL 30,652 in the accompanying financial statements as of 31.12.2009 (there is no remaining balance as of 31.12.2011, the remaining balance as of 31.12.2010: TL 5,703) to its related parties for TL 32,149 by deducting the sale amount from related parties' current accounts The sale is planned to be TL 10,426 from Kiler Alışveriş's merchandises (there is no remaining balance as of 31.12.2011), and TL 20,226 (there is no remaining balance as of 31.12.2011) ,from Kiler Ankara's merchandises. Kiler Alışveriş and Kiler Ankara have signed separate protocols with each related party on 03.03.2010 to sell TL 28,209) of their merchandises. (There is no remaining balance as of 31.12.2011).

The movement of impairment in inventories is detailed below:

	01.01.- 31.12.2011	**01.01.- 31.12.2010**
Opening balance	313	790
Provisions for period	975	313
Proceeds from provision of inventory	(313)	--
Insurance claims income	--	(25)
Inventories written-off	--	(765)
	975	**313**

Insurance guarantee on inventories amounts to TL 113,094 (2010: TL 98,117).

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

NOTE 14 - LIVE ASSETS

None (31.12.2010: None).

NOTE 15 - RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None (31.12.2010: None).

NOTE 16 – INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

None (31.12.2010: None).

NOTE 17- INVESTMENT PROPERTY

	31.12.2010	Additions	Fair value	31.12.2011
Cost value				
Land	1,214	--	96	1,310
Building	47,970	--	3,137	51,107
Net book value	**49,184**	**--**	**3,233**	**52,417**

	31.12.2009	Additions	Fair value	31.12.2010
Cost value				
Land	1,168	--	46	1,214
Building	22,072	23,846	2,052	47,970
Net book value	**23,240**	**23,846**	**2,098**	**49,184**

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

NOTE 17 - INVESTMENT PROPERTY (Continued)

Type of real estate	Expert company	Expert report date	Report number	Net book value	Fair value	Value increase/ (decrease)
Bahçelievler land (1)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	21.03.2012	2011_0387	1,214	1,310	96
Esenyurt building (sections numbered 8, 15, 17, 18 and 19) (2)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2012	2012_0185	22,700	24,136	1,436
Esenyurt building (sections numbered 10, 11, 12 and 13) (3)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2012	2012_0185	25,270	26,971	1,701
				49,184	**52,417**	**3, 233**

(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 23 of 36 shares has been bought by Kiler Alışveriş and these sale contracts have been approved by the notary. However these transactions have not been recorded in the land registry records yet. The net book value of this asset as of 31.12.2011 was TL 1,214 and the fair value was TL 1,310. The increase in value amounting TL 96 has been reflected in the other income in the comprehensive income statement.

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

The building is registered in Istanbul, Esenyurt on a 347 block on 10 parcel and consists of office sections. The closed area is 16,500 m^2 and 13,074 m^2 of this area is rented to related companies. The remaining 3,426 m^2 is in the use of the Company and is classified in plant, property and equipment. The Company bought this real estate from related party Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. on 28.08.2009. The net book value of this asset as of 31.12.2011 was TL 22,700 and the fair value was TL 24,136. The increase in value amounting TL 1,436 has been reflected in the other income in the comprehensive income statement.

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

The building is registered in Istanbul, Esenyurt on a 347 block on 10 parcel and consists of warehouse sections. The closed area is 20,863 m2 is totally rented. The Company bought this real estate from its related party Kiler Gayrimenkul Yatırım Ortaklığı A.Ş. on 06.01.2010 amounting TL 23,458. The net book value of this real asset as of 31.12.2011 was TL 25,270 and the fair value was TL 26,971. The difference between the net book value and the fair value amounting TL 1,701 is reflected in other income in the comprehensive income statement. The increase in value amounting TL 1,701 has been reflected in the other income in the comprehensive income statement.

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

NOTE 17 - INVESTMENT PROPERTY (Continued)

Details of investment property are listed below:

Explanation	Exact Square Meters	Exact Square Meters Leased	Monthly rent	Net book value
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:

			31.12.2011		31.12.2010	
Bank	**Type**	**Foreign Currency Type**	**Foreign Currency Balance**	**TL Balance**	**Foreign Currency Balance**	**TL Balance**
Halkbank	Real Estate	USD	22,500	42,500	22,500	34,785
Yapı Kredi Bankası	Real Estate	USD	16,500	31,167	16,500	25,509

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

	31.12.2010	Additions	Disposals	Revaluation Differences	31.12.2011
Cost value					
Land	21,311	11,491	--	(491)	32,311
Buildings	14,940	--	--	483	15,423
Machinery and equipment	3,691	24	--	--	3,715
Vehicles	14,206	2,337	(2,099)	--	14,444
Furniture and fixtures	121,962	12,167	--	--	134,129
Leasehold improvements	40,527	8,033	--	--	48,560
Machinery and equipment under financial leasing	1,811	1,142	--	--	2,953
Vehicles under financial leasing	500	--	(120)	--	380
Furniture and fixtures under financial leasing	1,879	4,082	--	--	5,961
Advances given	--	--	--	--	--
	220,827	39,276	(2,219)	(8)	257,876
Accumulated Depreciation					
Buildings	168	386	--	(140)	414
Machinery and equipment	1,683	358	--	--	2,041
Vehicles	6,597	1,311	(870)	--	7,038
Furniture and fixtures	61,697	12,754	--	--	74,451
Leasehold improvements	16,228	3,337	--	--	19,565
Machinery and equipment under financial leasing	445	136	--	--	581
Vehicles under financial leasing	234	44	(66)	--	212
Furniture and fixtures under financial leasing	539	444	--	--	983
	87,591	18,770	(936)	(140)	105,285
Net book value	**133,236**	**20,506**	**(1,283)**	**132**	**152,591**

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	31.12.2009	Additions	Disposals	Revaluation Differences	31.12.2010
Cost value					
Land	21,311	--	--	--	21,311
Buildings	15,143	--	--	(203)	14,940
Machinery and equipment	3,499	192	--	--	3,691
Vehicles	14,724	1,376	(1,894)	--	14,206
Furniture and fixtures	119,248	2,832	(118)	--	121,962
Leasehold improvements	38,224	2,377	(74)	--	40,527
Machinery and equipment under financial leasing	1,262	549	--	--	1,811
Vehicles under financial leasing	500	--	--	--	500
Furniture and fixtures under financial leasing	1,879	--	--	--	1,879
Advances given	5	--	(5)	--	--
	215,795	7,326	(2,091)	(203)	220,827
Accumulated Depreciation					
Buildings	--	310	--	(142)	168
Machinery and equipment	1,333	350	--	--	1,683
Vehicles	6,210	1,269	(882)	--	6,597
Furniture and fixtures	48,316	13,420	(39)	--	61,697
Leasehold improvements	13,413	2,844	(29)	--	16,228
Machinery and equipment under financial leasing	319	126	--	--	445
Vehicles under financial leasing	184	50	--	--	234
Furniture and fixtures under financial leasing	339	200	--	--	539
	70,114	18,569	(950)	(142)	87,591
Net book value	**145,681**	**(11,243)**	**(1,141)**	**(61)**	**133,236**

Insurance on property, plant and equipment amounts to TL 229,933 (2010: TL 219,466).

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT (Continued)

As of 31.12.2011, details of all land and buildings are listed below:

Real Estate Type	**Expert Company**	**Expert Report Date**	**Report Number**	**Net book value**	**Expert value**	**Value increase/ (decrease)**
Esenyurt building (3)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.02.2012	2012_0185	6,595	7,218	623
Kavacık building (6)	Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş.	28.09.2011	2011_1766	11,491	11,000	(491)
				18,086	**18,218**	**132**

(1) The Bahçeşehir land is in the province of Istanbul, Esenler, İkitelli, 1266 blocks and parcel number 1 with an area of 5,448m^2. 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 m^2 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 parcel which belongs to Kiler Alışveriş. The land area consists of a total of 16,500 m^2 and 3,426 m^2 of this land area is used by Kiler Alışveriş. The remaining section is rented and is therefore classified as investment property. The net book value of this asset as of 31.12.2011 was TL 6,595 and the fair value was TL 7,218. The increase in value amounting TL 623 has been shown under the shareholders' equity as revaluation fund.

(4) According to the land registry Kağıthane land and building is in the province Istanbul, Kağıthane, Gürsel, 10301 block with an area of 206 m^2. 136/1236 share belongs to Kiler Alışveriş and consists of an open area of 23 m^2, 72 m^2 licensed closed area and 43 m^2 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, according the expert's report the value of the land is TL 11,000. The impairment calculated amounting TL 491 is reflected directly in the income statement in the other expenses account.

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

NOTE 18 - 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:

			31.12.2011		31.12.2010	
Bank	**Type**	**Foreign Currency Type**	**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	42,500	22,500	34,785
Albaraka	Real Estate	TL	20,000	20,000	20,000	20,000
Marmara Kurumlar Vergi Dairesi Müdürlüğü	Real Estate	TL	2,400	2,400	--	--
Türkiye Finans Katılım Bankası	Vehicles	TL	1,745	1,745	1,175	1,175
Albaraka	Vehicles	TL	319	319	286	286
Yapı Kredi Bankası	Vehicles	TL	--	--	64	64
Asya Katılım Bankası	Vehicles	TL	260	260	--	--

NOTE 19 – INTANGIBLE ASSETS

	31.12.2009	**Additions**	**31.12.2010**	**Additions**	**31.12.2011**
Cost					
Other intangible assets	1,276	206	1,482	444	1,926
	1,276	206	1,482	444	1,926
Accumulated amortization					
Other intangible assets	841	144	985	199	1,184
	841	144	985	199	1,184
Net book value	**435**	**62**	**497**	**245**	**742**

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

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

NOTE 20 – GOODWILL

Goodwill	**31.12.2011**	**31.12.2010**
Kiler Ankara Mağazacılık San. ve Tic. A.Ş.	60,396	30,011
Kiler Trakya Mağazacılık San. ve Tic. A.Ş.	13,172	13,641
	73,568	**43,652**

Movement of goodwill is as follows:

Goodwill	**01.01.-31.12.2011**	**01.01.-31.12.2010**
Opening balance	43,652	43,652
Purchase of additional shares of subsidiaries	32,914	--
Goodwill impairment(-)	(2,998)	--
Closing balance	**73,568**	**43,652**

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

The Group management determined the budgeted gross profit margin by taking into consideration the previous performance of the company and the market growth expectations. The discount rate 9.5% used is the after tax discount rate.

As a result of the impairment tests performed under above assumptions 2,998 TL impairment was detected in the goodwill amount as of 31.12.2011. This amount has been deducted from the cash generating unit of the goodwill. The provision of this impairment expense has related to other expenses account in the comprehensive income statement.

NOTE 21 - GOVERNMENT GRANTS

None (31.12.2010: None).

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

NOTE 22 – PROVISIONS

22.1. Contingent liabilities

	31.12.2011	**31.12.2010**
Provision of lawsuits	9,026	7,869
	9,026	**7,869**

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 31.12.2011, 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.

As of 31.12.2010, there are a total of 184 law suits and enforcement proceedings opened by the Company amounting to TL 3,866. There are a total of 407 law suits and enforcement proceedings which had been filed against the Company amounting to TL 8,050.

22.2. Contingent assets

None (31.12.2010: None).

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

NOTE 23 - COMMITMENTS AND CONTINGENCIES

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

		31.12.2011	31.12.2010
A	GMA given on behalf of the Group's legal entity(*)	131,273	121,595
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	--	34,825
	- Given on behalf of related parties except B and C	20,000	22,183
	- Given on behalf of third parties except C	--	--
		151,273	**178,603**

(*) 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.

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

NOTE 24 – PROVISION FOR EMPLOYEE TERMINATION BENEFITS

	31.12.2011	31.12.2010
Severance Payment Provisions	**5,107**	**3,849**

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 2,731.85 as of the related balance sheet date, 31.12.2011 (31.12.2010: TL/year 2,517.01).

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

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. As of 31.12.2011 the liability for employment termination benefits was calculated based on an annual real discount rate of 4.66% (31.12.2010: 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:

	31.12.2011	31.12.2010
January 1 balance	3,849	2,568
Charge for the period	2,688	2,043
Payments	(1,430)	(762)
Total	**5,107**	**3,849**

NOTE 25 - PENSION PLANS

None (31.12.2010: None).

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

NOTE 26 – OTHER ASSETS AND LIABILITIES

Other current assets	**31.12.2011**	**31.12.2010**
Prepaid expenses	531	360
Prepaid rent expenses	5,341	5,175
Prepaid taxes and funds	591	125
Advances given for business purposes	2,849	1,098
Deposits and guarantees given	619	305
Income accruals	452	240
Expenses related IPO (*)	--	539
Advances given	13,382	11,815
Advances given to related parties (Note 37)	--	119
Provision for advances given	(8,070)	(7,774)
	15,695	**12,002**

(*) These are related to expenses directly attributable to the IPO which took place in 2011. In 2011 these expenses will be netted off with the share premium that arising from the share capital increase by issuing new shares in the Istanbul Stock Exchange (Note 40).

The transaction of provision for advances given is below:

	01.01.-31.12.2011	**01.01.-31.12.2010**
Opening balance	7,774	3,291
Charge for the period	979	6,083
Proceeds from doubtful receivables	(348)	(1,147)
Advances given written-off	(335)	(453)
	8,070	**7,774**

Other non-current assets	**31.12.2011**	**31.12.2010**
Prepaid expenses	2	4
Prepaid rent expenses	5,560	10,575
	5,562	**10,579**

Other current liabilities	**31.12.2011**	**31.12.2010**
Social security premiums and taxes	7,986	4,604
Expense accruals	57	266
Deposits and guarantees received	178	132
Provision for customer loyalty program	--	950
	8,221	**5,952**

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

NOTE 27 - EQUITY

27.1. Paid in capital

	31.12.2011		**31.12.2010**	
	Percentage (%)	Share Amount	Percentage (%)	Share Amount
Kiler Holding A.Ş.	38.57	51,929	48.40	58,622
Ümit Kiler	14.67	19,743	16.30	19,743
Nahit Kiler	14.67	19,743	16.30	19,743
Vahit Kiler	14.67	19,743	16.30	19,743
Quoted shares	15.00	20,193	--	--
Other	2.42	3,269	2.70	3,269
		134,620		**121,120**

The capital of the Company as at 31.12.2011 and 2010 was TL 134,620 and TL 121,120. This capital consisted of 134,620,000 (2010: 121,120,000) TL 12,000 (2010: TL 12,000) shares for TL 1 (Krş 1) each and comprise of 12,000,000 shares (2010: 12,000,000) are A group shares and TL 122,620 (2010: TL 109,120) which comprise of 122,620,000 shares (2010:109,120,000) are B group shares.

On 20 and 21 January 2011 the share capital of the Company was increased from TL 121,120 to 134,620 by issuing new shares amounting TL 13,500 and sale of existing shares by Kiler Holding A.Ş. amounting TL 6,693 totaling a sale of shares amounting TL 20,193 with a restriction of pre-emptive rights in the primary market in Istanbul Stock Exchange.

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.

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.

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

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

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

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

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

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

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

NOTE 27 – EQUITY (Continued)

The pledges on shares are summerised below:

The shareholders of the Group pledged Kiler Alışveriş shares as a guarantee of Kiler Alışveriş and Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.'s loans The limit of the loan is USD 110,000.According the loan agreement the pledge percentage is %66 on the share capital amounting TL 134,620 ; 9,738,436 A group shares,79,110,764 B group shares, totally 88,849,200 shares are pledged for a first degree on behalf of the lender for the principal loan amount and any type of accrual in terms of interest and expense.

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

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

27.2. Share premium

	31.12.2011	**31.12.2010**
Share premium	68,850	--
Minus: Public offering expenses	(2,700)	--
	66,150	**--**

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

NOTE 27 – EQUITY (Continued)

27.3)	**31.12.2011**	**31.12.2010**
Legal Reserves	1,139	904
Extraordinary Reserves	11,258	11,258
	12,397	**12,162**

27.4)	**31.12.2011**	**31.12.2010**
General Reserves	(7,053)	(16,702)
	(7,053)	**(16,702)**

27.5)	**31.12.2011**	**31.12.2010**
Revaluation surpluses and special funds	14,309	13,811
	14,309	**13,811**

According to Bring in Assets to the National Economy Law numbered 5811 dated 22.11.2008; companies are prompt to present to banks, brokerage institutions or tax offices until 31.12.2009 the fair value of their money, gold, securities and other financial investments held abroad and other assets demonstrable with related documents existed as of 01.06.2009. These assets are recorded in the statutory books according to law number 213 and a special fund should be created under the equity for these assets. This fund is a part of the share capital that should be used in share capital increases and cannot be used for other purposes and in case of liquidation it is not subject to taxation.

According to the law mentioned above; in 2009 the group received TL 26,523 injection to its equity which consisted of TL 10,900 of bank accounts (TL 1,000 belongs to Kiler Alışveriş and TL 9,900 belongs to Kiler Ankara), TL 15,120 of Kartal land and building (belongs to Kiler Alışveriş) (Note 18) and TL 503 of injection to the equity of its subsidiaries. In the extraordinary meeting dated 18.08.2009 TL 1,000 of this fund is used for capital increase.

In the extraordinary general meeting of shareholders of Kiler Alışveriş dated 11.06.2010, TL 15,120 and in the extraordinary general meeting dated 28.06.2010 TL 9,900 of the above mentioned fund are used to finance share capital increase.

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR YEARS ENDED 31.12.2011 AND 2010

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

NOTE 28 - SALES AND COST OF SALES

	01.01-31.12.2011	01.01-31.12.2010
Retail and wholesale sales	696,229	687,275
Other sales	95,258	92,887
	791,487	780,162
Minus: Deductions and returns	(10,959)	(8,944)
Sales revenues (net)	780,528	771,218
Cost of sales	(543,017)	(554,047)
Gross Profit	**237,511**	**217,171**

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

	01.01-31.12.2011	01.01-31.12.2010
Marketing, selling and distribution expenses	161,954	139,519
General administrative expenses	36,990	37,377
	198,944	**176,896**

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

NOTE 30 – OPERATING EXPENSE BREAKDOWN

Marketing, selling and distribution expenses	**01.01.-31.12.2011**	**01.01.-31.12.2010**
Personnel expense	62,486	53,298
Office expense	19,273	17,057
Advertisement expense	10,470	6,051
Rent expense	39,264	32,896
Repair and maintenance expense	3,723	4,756
Packaging expenses	624	679
Security expense	1,201	1,112
Communication expense	237	300
Motor vehicle expenses	2,430	2,828
Insurance expense	851	689
Tax expense	1,363	757
Bank expense	1,081	1,222
Subscription expenses	543	127
Depreciation and amortization expense	10,593	11,246
Travelling expenses	3,834	3,217
Other	3,981	3,284
	161,954	**139,519**

General and administrative expenses		
Personnel expense	7,048	5,808
Travelling expense	546	703
Consulting expense	3,085	1,900
Office expense	4,754	4,516
Rent expense	508	1,110
Motor vehicle expense	4,876	3,578
Insurance expense	577	249
Repair and maintenance expense	573	553
Communication expense	887	773
Tax expense	771	595
Provision for severance pay	2,688	2,043
Provision for doubtful receivables	1,602	7,516
Reversal of unnecessary provision	(750)	(1,518)
Depreciation and amortization expense	8,205	7,287
Other	1,620	2,264
	36,990	**37,377**

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

NOTE 31– INCOME/EXPENSE FROM OTHER OPERATIONS

Other operating income and profit:	**01.01.-31.12.2011**	**01.01.-31.12.2010**
Revaluation surplus on investment property	3,233	2,098
Insurance claim income	648	1,614
Income on sale of fixed assets	322	154
Other	606	696
	4,809	**4,562**

Other operating expenses:	**01.01-31.12.2011**	**01.01-31.12.2010**
Loss on sale of fixed assets	180	183
Damaged merchandises and fixed assets	--	804
Loss on penalties and claims	544	875
Donation expenses	28	35
Lawsuit expenses and provisions	2,106	3,578
Previous years' rent expense that paid with court decision	875	--
Tax expense	398	592
The taxes payable under act no 6111	1,862	--
Goodwill impairment expense	2,998	--
Diminution in net book value of property, plant and equipment	491	61
Other	687	1,587
	10,169	**7,715**

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

NOTE 32 – FINANCIAL INCOME

	01.01.-31.12.2011	01.01.-31.12.2010
Term differences on credit sale	884	714
Interest income from related parties	8,441	2,703
Foreign exchange gain from related parties	5,278	
Foreign exchange gain	720	23,400
Repos income	66	298
Other	113	82
	15,502	**27,197**

NOTE 33 - FINANCIAL EXPENSES

	01.01-31.12.2011	01.07-30.09.2010
Term differences on credit purchase	6,881	4,082
Interest and commission expense	22,826	17,011
Foreign exchange expense	32,710	29,014
Other	855	485
	63,272	**50,592**

NOTE 34 – ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (31.12.2010: None)

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

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

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

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

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

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

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

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

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

The computation of the statutory taxes for periods 31.12.2011 and 2010 is as follows:

Balance Sheet	**31.12.2011**	**31.12.2010**
Current period corporation tax expense	212	2,716
Prepaid taxes	(183)	(2,607)
	29	**109**

Income Statements	**01.01-31.12.2011**	**01.01-31.12.2010**
Current period corporation tax expense	(212)	(2,716)
Deferred tax income / (expense)	1,379	(1,021)
Total tax income / (expense)	**1,167**	**(3,737)**

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

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

b) Deferred Tax

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

The breakdown of cumulative temporary differences and the resulting deferred tax assets/(liabilities) provided at 31.12.2011 and 2010 using the enacted tax rates are as follows:

	Total temporary differences		Deferred tax asset/(liabilities)	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Unearned interest on trade receivable	82	129	16	26
Provision for severance payments	5,107	3,849	1,022	770
Provision for doubtful receivables	10,257	9,946	2,051	1,989
Inventories	9,672	1,086	1,934	217
Cancellation of capitalized interest expense	26,313	24,951	5,263	4,990
Lawsuit provision	9,026	7,869	1,805	1,574
Previous Year Losses	11,860	--	2,372	--
Confirmation differences	1,741	2,332	348	466
Other	300	1,110	60	222
Unearned interest on trade payable	(2,320)	(1,220)	(464)	(244)
Revaluation difference on land and buildings	(9,764)	(8,853)	(1,954)	(1,771)
Revaluation differences on investment property	(5,135)	(1,901)	(1,027)	(380)
Difference on depreciation arising from recalculation with useful economic life	(60,697)	(48,803)	(12,139)	(9,761)
Other	(72)	(397)	(14)	(79)
Deferred tax assets	74,358	51,272	14,871	10,254
Deferred tax liabilities	(77,988)	(61,174)	(15,598)	(12,235)
Deferred tax assets / liabilities, net	**(3,630)**	**(9,902)**	**(727)**	**(1,981)**

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

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

Reconciliation of deferred tax as follows	**31.12.2011**	**31.12.2010**
Deferred tax assets / (liabilities), net current period	(727)	(1,981)
Deferred tax assets / (liabilities), net beginning of the period (-)	1,981	960
	1,254	**(1,021)**
Deferred tax income / (expense)	1,379	(1,021)
Deferred tax on fair value gain of property, plant and equipment	(125)	**--**
	1,254	**(1,021)**

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

	01.01-31.12.2011	**01.01-31.12.2010**
Profit before tax	(14,563)	13,724
Tax expense expected as a result of the main partnership tax rate (20%)	2,913	(2,745)
Group's expected tax expense	2,913	(2,745)
Effect of tax disallowed expenses	(175)	(937)
The tax effect of other incomes exempt from tax	**--**	502
Statutory period loss	(3,092)	
Other differences	1,521	(557)
Group's tax expense for the period	**1,167**	**(3,737)**

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

NOTE 36 – EARNINGS PER SHARE

	01.01-31.12.2011	**01.01-31.12.2010**
Net profit/(loss) for the year	(13,396)	9,990
Minority's net loss/(profit) for the year	395	(106)
Profit attributable to equity holders of company	(13,001)	9,884
Weighted average number of outstanding ordinary shares	133,658,356	120,629,589
Earnings per share (TL)	(0.0973)	0.0819

NOTE 37- RELATED PARTIES DISCLOSURES

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

The Group has borrowed loans amounting TL 22,792 and USD 20,000 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 9% interest for the receivables from Kiler Holding A.Ş.

a) Trade receivables from related parties:	**31.12.2011**	**31.12.2010**
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	--	2,530
Klr İnşaat Tic. Ltd. Şti.	699	--
KBC Gıda San. Tic. Ltd. Şti.	79	--
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi A.Ş.	732	--
Kiler Alışveriş Hizmetleri Gıda San. Tic. Ltd. Şti.	1	854
Bağcı Sebze Meyve Tar. Ürünleri Su Ür. Soğuk Hav. Depo Tic. A.Ş.	--	1,665
Yayla Etçilik Besicilik A.Ş.	--	579
	1,511	**5,628**

a) Notes receivables from related parties:	**31.12.2011**	**31.12.2010**
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi A.Ş.	--	3,591
	--	**3,591**

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

NOTE 37 - RELATED PARTIES DISCLOSURES (Continued)

b) Trade payables to related parties:	**31.12.2011**	**31.12.2010**
Kütahya Şeker Fabrikası A.Ş.	415	324
Safir Çarşı Yönetim Hizmetleri A.Ş.	52	--
Bağcı Sebze Meyve Tar. Ürünleri Su Ür. Soğuk Hav. Depo Tic. A.Ş.	9	--
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi A.Ş.	--	522
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	--	301
Kiler Sebze ve Meyve Komisyoncusu – Ümit Kiler	1,034	--
KBC Gıda San. Tic. Ltd. Şti.	51	3,482
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	25	--
Klr İnşaat Tic. Ltd. Şti.	4	147
	1,590	**4,776**

b) Notes payables from related parties:

	31.12.2011	**31.12.2010**
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	457	--
Kiler Sebze ve Meyve Komisyoncusu – Ümit Kiler	608	--
	1,065	**--**

c) Other receivables from related parties :	**31.12.2011**	**31.12.2010**
Kiler Holding A.Ş.	67,822	72,821
Biskon Yapı A.Ş.	2,859	2,198
Nur-Tek Elekt. Üretim A.Ş.	34	79
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	21	1,388
Gülkar Enerji Üretim ve Tic. A.Ş.	--	182
Beyaz Çınar Yapı İnş. Emlak Yön. Hizm. Ltd. Şti.	236	210
Nahit Kiler	12,440	3,769
Vahit Kiler	656	285
Ümit Kiler	11,670	7,868
Kadir Caner	--	600
Ahmet Caner	--	200
İsmail Caner	--	200
Other	138	180
	95,876	**89,980**

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

NOTE 37 - RELATED PARTIES DISCLOSURES (Continued)

d) Other payables to related parties:	31.12.2011	31.12.2010
İmperyay/İmper Yayıncılık ve Reklamcılık A.Ş.	147	--
Kütahya Şeker Fabrikası A.Ş.	162	20,000
Kiler Holding A.Ş.	50	237
İntaş Güvenlik Koruma Hiz. Ltd. Şti.	--	110
Ümit Kiler	418	602
Kadir Caner	--	617
İsmail Caner	--	9
	777	**21,575**

e) Other current assets from related parties:	31.12.2011	31.12.2010
Kütahya Şeker Fabrikası A.Ş.	--	119
	--	**119**

f) Sales to related parties:	01.01-31.12.2011	01.01-31.12.2010
Klr İnşaat Tic. Ltd. Şti.	2,199	105
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	3,916	2,022
Kbc Gıda San. Tic. Ltd. Şti.	4,023	445
Kiler Alışveriş Hizmetleri Gıda San. Tic. Ltd. Şti.	4,782	10,627
Kiler Holding A.Ş.	12,029	2,679
Bağcı Sebze Meyve Tar. Ürünleri Su Ür. Soğuk Hav. Depo Tic. A.Ş.	--	3,071
Yayla Etçilik Besicilik A.Ş.	--	2,118
Kütahya Şeker Fabrikası A.Ş.	21	1,979
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	120	25
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi A.Ş.	171	--
Ümit Kiler	1,806	6,285
Nahit Kiler	846	281
Vahit Kiler	51	125
Kadir Caner	--	2,443
Other	395	134
	30,359	**32,339**

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

NOTE 37 - RELATED PARTIES DISCLOSURES (Continued)

g) Purchases from related parties:	**01.01-31.12.2011**	**01.01-31.12.2010**
Kiler Holding A.Ş.	1,338	729
Denge Reklam Tur. İnş. Gıda. Elekt. San. Ltd. Şti.	33,295	7,443
Klr İnşaat Tic. Ltd. Şti.	1,690	667
Kbc Gıda San. Tic. Ltd. Şti.	12,265	8,760
Bağcı Sebze Meyve Tar. Ürünleri Su Ür. Soğuk Hav. Depo Tic. A.Ş.	1,334	192
Kiler Alışveriş Hizmetleri Gıda San. Tic. Ltd. Şti.	1,932	--
Kütahya Şeker Fabrikası A.Ş.	706	2,311
Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.	3,253	1,938
Tureks Turizm Taşımacılık İnşaat Akaryakıt İstasyon Temizlik Hizmetleri İşletmeciliği Ticaret ve Sanayi A.Ş.	2,571	2,681
Safir Çarşı Yönetim Hizmetleri A.Ş.	250	
Kiler Sebze ve Meyve Komisyoncusu – Ümit Kiler	3,864	--
Other	1,109	1,335
	63,607	**26,056**

h) Remuneration of the management

The total remuneration of the chairman, the members of Board and the top management, amounted to TL 371 for the period ended 31.12.2011 (01.01-31.12.2010: TL 1,335).

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

NOTE 38 - FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE

Financial instruments

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

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

The Company's interest rate position and sensitivity analysis are shown below as of 31.12.2011 and 2010.

Interest Rate Position			
		31.12.2011	**31.12.2010**
Financial instrument with fixed interest rate:			
Financial assets	Financial assets which fair value differences are reflected in profit/loss		--
	Financial assets available for sale		--
Financial liabilities		203,484	121,310
Financial instrument with variable interest rate:			
Financial assets	Financial assets which fair value differences are reflected in profit/loss	--	--
	Financial assets available for sale	--	--
Financial liabilities		91,274	118,456

If the base point was 1% higher/lower as of 31.12.2011; and if all of the other variables had remained the same, the profit before tax would have been higher/lower by TL 440 (31.12.2010: TL 573).

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

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

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

Exposure to credit risks with financial instruments are shown below:

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

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

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

31.12.2010	Receivables						
	Trade receivables		Other receivables				
	Related Parties	Other Parties	Related Parties	Other Parties	Bank Amounts	Derivative Instruments	Other
Maximum exposure to credit risk as of 31.12.2010	--	--	--	--	--	--	--
- Secured portion of maximum credit risk with collateral	--	--	--	--	--	--	--
A. Carrying amount of financial assets that are not overdue and not impaired	6,990	2,248	89,980	1,117	3,762	--	--
B. Carrying amount of financial assets whose terms were renegotiated, otherwise are overdue and impaired	--	--	--	--	--	--	--
C. Carrying amount of assets that are overdue but not impaired	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
D. Carrying amount of assets that are impaired	--	--	--	--	--	--	--
- Overdue (gross carrying amount)	2,142	670	--	2,058	--	--	--
- Impairment (-)	--	(670)	--	(2,058)	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
- Not overdue (gross carrying amount)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Carrying amount secured with collateral	--	--	--	--	--	--	--
E. Credit risk issues out of balance sheet	--	--	--	--	--	--	--
Total	**9,132**	**2,248**	**89,980**	**1,117**	**3,762**	**--**	**--**

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

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

Liquidity risk

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

31.12.2011

Contractual maturities	Book value	Total cash outflow according contract	1-3 months maturity	3-12 months maturity	Over 1 year
Financial liabilities	294,758	317,334	45,665	191,708	79,961

Expected maturities	Book value	Total cash outflow according expected	1-3 months maturity	3-12 months maturity	Over 1 year
Trade payables	150,043	152,362	137,382	11,135	3,845
Other payables	45,698	45,698	9,078	10,631	25,989

31.12.2010

Contractual maturities	Book value	Total cash outflow according contract	1-3 months maturity	3-12 months maturity	Over 1 year
Financial liabilities	239,766	258,165	39,985	95,221	122,959

Expected maturities	Book value	Total cash outflow according expected	1-3 months maturity	3-12 months maturity	Over 1 year
Trade payables	153,666	154,886	144,384	2,227	8,275
Other payables	26,021	26,021	26,021	--	--

Foreign currency risk

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

KİLER ALIŞVERİŞ HİZMETLERİ GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR YEARS ENDED 31.12.2011 AND 2010

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

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

	31.12.2011	31.12.2010
Assets	97	346
Liabilities	(161,991)	(174,461)
Net Foreign Currency	**(161,894)**	**(174,115)**

31.12.2011

	TL Equivalent	USD	EURO	GBP
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and	97	25	19	1
bank accounts)	--	--	--	--
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	--	--	--	--

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

31.12.2010

	TL Equivalent	USD	EURO	GBP
1. Trade receivables	--	--	--	--
2a. Monetary financial assets (including cash and	346	149	39	15
bank accounts)	--	--	--	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	346	149	39	15
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)	346	149	39	15
10. Trade payables	--	--	--	--
11. Financial liabilities	83,247	53,827	15	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Short term liabilities (10+11+12)	83,247	53,827	15	--
14. Trade payables	66	43	--	--
15. Financial liabilities	91,148	58,956	1	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Long term liabilities (14+15+16)	91,214	58,999	1	--
18. Total liabilities (13+17)	174,461	112,826	16	--
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)	(174,115)	(112,677)	23	15
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	--	--	--	--

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

NOTE 38 - FINANCIAL INSTRUMENTS RISKS CHARACTERISTICS AND NATURE (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**

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

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

Foreign currency sensitivity analyzing table

31.12.2010				
	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	(17,420)	17,420	(17,420)	17,420
2- Hedging part of USD risk (-)	--	--	--	--
3-USD net effect (1+2)	(17,420)	17,420	(17,420)	17,420
If EUR change 10% against TL:				
4- EUR net assets/liabilities	5	(5)	5	(5)
5- Hedging part of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	5	(5)	5	(5)
If other foreign exchange rate change 10% against TL:				
7- GBP net assets/liabilities	2	(2)	2	(2)
8- Hedging part of GBP risk (-)	--	--	--	--
9- GBP net effect (7+8)	2	(2)	2	(2)
Total (3+6+9)	**(17,413)**	**17,413**	**(17,413)**	**17,413**

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

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

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

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

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

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

	31.12.2011	**31.12.2010**
Total debt	294,758	239,766
Cash and cash equivalents	(42,008)	(36,539)
Net debt	252,750	203,227
Total equity	208,000	153,169
Overall financing	460,750	356,396
Net Debt/Overall financing	0.55	0.57

Fair value of financial instruments

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

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

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

Monetary assets
The foreign exchange type of the exchange rates of the reasonable value of the balances at the end of the period is predicted as close to the recorded values.
The recorded values of the financial assets shown as cash and values similar to cash, are short term and are therefore predicted as equal to reasonable value.

The recorded values of the trade receivables, in relation to the value decrease is predicted to reflect the reasonable value.

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

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

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

The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations.

The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

The financial liabilities which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet.

NOTE 39 - FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

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

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

NOTE 40- POST BALANCE SHEET EVENTS

a. The group liquidated 3 stores after 31.12.2011.

   After the balance sheet date the Group is planning the opening of 7 new stores, as of 31.12.2011 lease agreements of these stores.

b. Severance payment ceiling increased as of 01.01.2012 from TL 2,731.85/per year to TL 2,805.04/per year.

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

NOTE 41 - OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR PREVENT THE CLEAR UNDERSTANDING OF THE CONSOLIDATED FINANCIAL STATEMENTS

a. The board of directors meeting of Kiler Alışveriş as of 22.09.2010 with decision number 193, decided unanimously that following the initial public offering and listing of Company's shares at the Istanbul Stock Exchange, there would be no further capital increase for a period of 180 days after the IPO, and no increase would take place in the number of outstanding shares and in the share amount in circulation in the future. In addition, the board of directors also decided not to consider or decide at future board meetings any new share offerings during such period.

b. Based on the Extraordinary General Assembly of Shareholders of Kiler Ankara dated from 09.11.2010 and registered as of 10.11.2010 and published on the Turkish Commercial Register Newspaper on the date of 15.11.2010 with decision number 7690 and based on the Company's Articles of Association numbered 7; it has been unanimously decided that 1,800,000,000 units of B group shares owned by Kadir Caner will be transferred to Kiler Alışveriş, 600,000,000 units of B group shares owned by Ahmet Caner will be transferred to Kiler Alışveriş, 540,000,000 units of B group shares owned İsmail Caner will be transferred to Kiler Alışveriş and 60,000,000 units of B group shares owned by İsmail Caner will be transferred to Kiler Holding A.Ş.

On 03.02.2011 the share transfer process has been completed according terms of share purchase agreement. For the remaining balance amounting TL 50, 5,000,000 shares will transfer with condition promise to sell and usufructuary right. Right of usufruct and promise to sell full 5.000.000 shares was transferred on 23.12.2011.

As of 31.12.2011 the share capital of Kiler Ankara is shown below:

	Percentage (%)	Share Amount
Kiler Alışveriş Hizmetleri Gıda San. ve Tic. A.Ş.	96	57,600
Kiler Holding A.Ş.	1	600
Ümit Kiler	1	600
Nahit Kiler	1	600
Vahit Kiler	1	600
		60,000