Kefir is a unique cultured dairy product due to combined lactic acid and alcoholic fermentation of lactose in milk. Kefir is produced by microbial activity of okefir grains which have a relatively stable and specific balance of lactic acid bacteria and yeast. Due to the claimed health benefits of kefir which include reduction of lactose intolerance symptoms, stimulation of the immune system, lowering cholesterol, and antimutagenic and anticarcinogenic properties, kefir has become an important functional dairy food and consequently, research on kefir has increased in the past decade. In the following review, recent studies on the functional properties of kefir are reviewed.