EİS ECZACIBAŞI İLAÇ, SINAİ VE FİNANSAL YATIRIMLAR SANAYİ VE TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2012

EİS ECZACIBAŞI İLAÇ, SINAİ VE FİNANSAL YATIRIMLAR SANAYİ VE TİCARET A.Ş.

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CONDENSED CONSOLIDATED FINANCIAL POSITION AS OF 31 MARCH 2012

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

	Notes	*Not Reviewed* 31 March 2012	*Audited* 31 December 2011
ASSETS			
Current assets			
Cash and cash equivalents	5	704,563	761,996
Financial investments	6	1,489	1,404
Trade receivables			
- Due from related parties	26	1,059	601
- Other trade receivables	8	249,738	201,496
Other receivables		772	804
Inventories	10	147,437	135,819
Other current assets	9	20,156	10,001
Total current assets		**1,125,214**	**1,112,121**
Non-current assets			
Trade receivables			
- Other trade receivables	8	733	5,700
Other receivables		73	67
Financial investments	6	1,462,027	1,463,931
Investments accounted for using equity method	11	14,495	14,816
Investment properties	12	199,836	200,358
Property, plant and equipment	13	90,463	79,013
Intangible assets	14	26,391	26,846
Goodwill		35,731	35,731
Deferred income tax assets	24	10,457	8,082
Other non-current assets	9	90,767	85,102
Total non-current assets		**1,930,973**	**1,919,646**
Total assets		**3,056,187**	**3,031,767**

The interim condensed consolidated financial statements for the three months period ended 31 March 2012 were approved by the Board of Directors on 18 May 2012 and signed on its behalf by Bülent Avcı, Financial Director and by Gülnur Günbey Kartal, Internal Audit Manager.

CONDENSED CONSOLIDATED FINANCIAL POSITION AS OF 31 MARCH 2012

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

	Notes	*Not Reviewed* 31 March 2012	*Audited* 31 December 2011
LIABILITIES			
Current liabilities			
Financial liabilities			
- Other financial liabilities	7	68,615	51,918
Trade payables			
- Due to related parties	26	120,447	111,595
- Other trade payables	8	90,398	94,767
Other payable	9	1,344	1,382
Current income tax liabilities	24	1,730	1,074
Provisions	15	1,407	1,398
Provisions for employee benefits	16	8,009	6,743
Other current liabilities	9	54,334	35,550
Total current liabilities		**346,284**	**304,427**
Non-current liabilities			
Financial liabilities			
- Other financial liabilities	7	7,304	12,404
Trade payables			
- Due to related parties	26	5,054	4,422
Provisions for employee benefits	16	8,139	7,478
Deferred income tax liabilities	24	67,525	68,061
Other non-current liabilities		14,974	17,771
Total non-current liabilities		**102,996**	**110,136**
EQUITY			
Share capital	17	548,208	548,208
Adjustments to share capital	17	105,777	105,777
Financial assets fair value reserve		1,248,145	1,248,552
Restricted reserves		248,754	248,754
Cumulative translation reserve		244	1,383
Retained earnings		448,412	359,902
Net (loss) / profit for the year		(9,016)	88,510
Attributable to equity holders of the Company		**2,590,524**	**2,601,086**
Non-controlling interests		**16,383**	**16,118**
Total equity		**2,606,907**	**2,617,204**
Total liabilities and equity		**3,056,187**	**3,031,767**

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

EİS ECZACIBAŞI İLAÇ, SINAİ VE FİNANSAL YATIRIMLAR SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE INTERIM PERIOD ENDED 31 MARCH 2012

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

	Notes	*Not Reviewed* **1 January - 31 March 2012**	*Not Reviewed* **1 January - 31 March 2011**
Net sales	18	261,531	239,824
Cost of sales (-)	18	(196,137)	(171,224)
Gross profit		**65,394**	**68,600**
Marketing, selling and distribution expenses (-)	19	(36,049)	(33,679)
General administrative expenses (-)	19	(27,072)	(25,750)
Research and development expenses (-)		(288)	(1)
Other operating income	21	2,956	2,181
Other operating expenses (-)	21	(3,009)	(2,019)
Operating profit		**1,932**	**9,332**
Share of loss of associates	11	(3)	(1,931)
Financial income	22	26,177	32,529
Financial expenses (-)	23	(36,914)	(11,953)
(Loss) / Profit before tax		**(8,808)**	**27,977**
Current income tax charge	24	(2,282)	(7,244)
Deferred income tax benefit	24	2,862	1,012
Net (loss) / profit for the period		**(8,228)**	**21,745**
Attributable to			
- Non-controlling interests		788	198
- Equity holders of the parent	25	(9,016)	21,547
Net (loss) / profit for the period		**(8,228)**	**21,745**
Weighted average number of ordinary shares with face value of Kr 1 each		54,820,800,000	54,820,800,000
Basic and diluted (loss) / earnings per share (Kr)	**25**	**(0.02)**	**0.04**

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 31 MARCH 2012

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

	Notes	*Not Reviewed* **1 January - 31 March 2012**	*Not Reviewed* **1 January - 31 March 2011**
Net (loss) / profit for the year		**(8,228)**	**21,745**
Other comprehensive income / (expense)			
Changes in financial assets' fair value reserve		(993)	(242)
Changes in currency translation differences		(807)	(334)
Group's share in the associates' comprehensive income	11	(318)	1,462
Tax expenses of other comprehensive income items (-)	24	49	12
Other comprehensive (loss) / income (after tax)		**(2,069)**	**898**
Total comprehensive (loss) / income		**(10,297)**	**22,643**
Attributable to			
- Non-controlling interests		265	168
- Equity holders of the parent		(10,562)	22,475
Total comprehensive (loss) / income		**(10,297)**	**22,643**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2012

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

	Equity attributable to equity holders of the Company									
	Share capital	**Adjustments to share capital**	**Financial assets' fair value reserve**	**Restricted reserves**	**Cumulative translation reserve**	**Retained earnings**	**Net profit for the period**	**Attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
1 January 2011	**548,208**	**105,777**	**1,069,322**	**245,415**	**(1,894)**	**341,322**	**60,380**	**2,368,530**	**18,781**	**2,387,311**
Transfers	-	-	-	-	-	60,380	(60,380)	-	-	-
Effect of rate change in investment in associates	-	-	-	-	-	-	-	-	13	13
Total comprehensive income	-	-	(200)	-	1,128	-	21,547	22,475	168	22,643
31 March 2011	**548,208**	**105,777**	**1,069,122**	**245,415**	**(766)**	**401,702**	**21,547**	**2,391,005**	**18,962**	**2,409,967**
1 January 2012	**548,208**	**105,777**	**1,248,552**	**248,754**	**1,383**	**359,902**	**88,510**	**2,601,086**	**16,118**	**2,617,204**
Transfers	-	-	-	-	-	88,510	(88,510)	-	-	-
Effect of rate change in investment in associates	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	(407)	-	(1,139)	-	(9,016)	(10,562)	265	(10,297)
31 March 2012	**548,208**	**105,777**	**1,248,145**	**248,754**	**244**	**448,412**	**(9,016)**	**2,590,524**	**16,383**	**2,606,907**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2012

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

	Notes	*Not Reviewed* **1 January - 31 March 2012**	*Not Reviewed* **1 January - 31 March 2011**
Cash flows from operating activities:			
(Loss) / profit before tax		(8,808)	27,977
Adjustments:			
Depreciation and amortisation	12, 13, 14	5,048	4,905
Provision for employment termination benefits and actuarial loss	16, 19	880	1,368
Provision for unused vacation	16, 19	1,463	693
Provision for doubtful receivables	8, 19, 26	17	105
Loss on sale of property, plant and equipment and intangible assets, net	21	(22)	(4)
Provision for diminution in value of inventories, net	10, 21	1,224	1,238
Group's share in the associates' loss	11	3	1,931
Interest and credit finance income, net	22, 23	(12,347)	(9,182)
Wage and premium accruals	9	367	-
Portfolio value decreases	22, 23	497	458
Provision for litigations, net	15	9	14
Expense accruals	9	2,880	539
Unrealised foreign exchange loss / (income)		24,562	(13,643)
Derivative financial instruments accruals	22, 23	(890)	-
Changes in working capital:			
Trade receivables		(43,298)	(34,628)
Due from and due to related parties, net		9,026	13,170
Inventories		(12,842)	(6,289)
Trade payables		(4,369)	14,516
Other current assets and liabilities, net		(1,816)	9,718
Effect of unrealized FX gain/losses on other working capital		(805)	(336)
Net cash (used in) / provided from operations		**(39,221)**	**12,550**
Taxes paid		(2,928)	(3,473)
Employment termination benefits paid	16	(219)	(676)
Unused vacation payments	16	(197)	(1,060)
Collections of doubtful receivables	8, 21, 26	6	96
Net cash (used in) / provided from operating activities		**(42,569)**	**7,437**
Investing activities:			
Purchases of property, plant and equipment and intangible assets	12, 13, 14	(15,681)	(3,963)
Proceeds from sale of property, plant and equipment and intangible assets		182	331
Capital advance payments to associates		-	(184)
Changes in financial assets		363	314
Net cash used in investing activities		**(15,136)**	**(3,502)**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2012

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

	Notes	*Not Reviewed* **1 January - 31 March 2012**	*Not Reviewed* **1 January - 31 March 2011**
Financing activities:			
Changes in bank borrowings		12,487	(12,295)
Interest and credit finance charges paid		(2,616)	(384)
Interest received		14,719	10,213
Changes in non-controlling interests		-	13
Net cash provided from / (used in) financing activities		**24,590**	**(2,453)**
Net (decrease) / increase in cash and cash equivalents		**(33,115)**	**1,482**
Exchange gains on cash and cash equivalents		(24,562)	13,643
Cash and cash equivalents at the beginning of the period	5	760,076	653,895
Cash and cash equivalents at the end of the period	**5**	**702,399**	**669,020**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. ("the Company") was established on 24 October 1951. The Company has no production activity; but has a holding structure with its subsidiaries, joint ventures and associates. The Company directly operates in the real estate development industry and in health, personal care and cosmetics industries through its joint ventures, subsidiaries and associates.

The Company's registered address is as follows:

Büyükdere Caddesi, Ali Kaya Sokak No: 5 Levent 34394, Istanbul.

The Company is registered with the Capital Markets Board of Turkey ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1990. As of 31 March 2012, 28.82% of total shares are quoted on the ISE (31 December 2011: 29.16%).The ultimate parent company of the Group is Eczacıbaşı Holding A.Ş., which possesses 50.62% (31 December 2011: 50.62%, Note 17) shares of the Company.

The Company and its consolidated subsidiaries, joint ventures and associates are referred to as "the Group" in this report. The operations of the subsidiaries, joint ventures and associates included in the consolidation are stated below:

Subsidiaries

The Company's subsidiaries (the "Subsidiaries"), the nature of businesses of the Subsidiaries and their business segments are as follows:

Companies accounted by line by line consolidation:

Subsidiaries	Nature of business	Segment
EİP Eczacıbaşı İlaç Pazarlama A.Ş. ("EİP")	Marketing and selling of pharmaceuticals	Health
Eczacıbaşı İlaç Ticaret A.Ş. ("EİT")	Marketing and selling of pharmaceuticals	Health
Eczacıbaşı İlaç (Cyprus) Ltd. ("Eczacıbaşı Cyprus") (*)	Marketing and selling of pharmaceuticals	Health
EHP Eczacıbaşı Health Care Products Joint Stock Co. ("EHP") (*)	Marketing and selling of pharmaceuticals	Health
Eczacıbaşı Girişim Pazarlama Tüketim Ürünleri Sanayi ve Ticaret A.Ş. ("Eczacıbaşı Girişim")	Marketing and selling of personal care products	Personal care
Eczacıbaşı Gayrimenkul Geliştirme ve Yatırım A.Ş. ("Eczacıbaşı Gayrimenkul")	Real estate development	Construction

(*) All Subsidiaries of the Company, except for Eczacıbaşı Health Care Products Joint Stock Co. registered in the Russian Federation and Eczacıbaşı İlaç (Cyprus) Ltd. registered in Northern Cyprus Turkish Republic, are registered in Turkey.

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Joint Ventures

The Company's joint ventures (the "Joint Ventures") are listed below. All Joint Ventures are registered in Turkey. The nature of business of the Joint Ventures and their respective businesses segments for the purpose of the consolidated financial statements are as follows:

Joint Ventures	Nature of business	Partner	Segment
Eczacıbaşı-Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş. ("EBX")	Pharmaceuticals and serum production	Baxter S.A.	Health
Eczacıbaşı-Monrol Nükleer Ürünler Sanayi ve Ticaret A.Ş. ("Eczacıbaşı-Monrol")	Production and sales of radiopharmaceuticals	Uğur Bozluolçay and Şükrü Bozluolçay	Health
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş. ("ESK")	Sale of personal care products	Hans Schwarzkopf GmbH & Co. KG	Personal care
EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş. ("EBC")	Sale of personal care products	Beiersdorf AG	Personal care

Associates

The associates of the Group ("Associates") and their respective business segments are as follows:

Associates	Nature of business
Ekom Eczacıbaşı Dış Ticaret A.Ş. ("Ekom")	Export services
Vitra Karo Sanayi ve Ticaret A.Ş. ("Vitra Karo")	Production of ceramic tiles
Eczacıbaşı Sağlık Hizmetleri A.Ş. ("ESH")	Special care and nursing services

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.1 Accounting policies

The condensed consolidated financial statements of EİS Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş. have been prepared in accordance with the accounting and reporting principles published by the Capital Markets Board of Turkey ("CMB"), namely "CMB Financial Reporting Standards". CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with Communiqué Serial: XI, No: 29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué Serial: XI, No: 29"), The Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes Communiqué Serial: XI, No: 25, "The Accounting Standards in the Capital Markets" ("the Communiqué Serial: XI, No: 25"). According to the Communiqué Serial: XI, No: 29, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"). IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS (Continued)

2.1 Accounting policies (continued)

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

In accordance with the Communiqué Serial: XI, No: 29, companies have an option to prepare their interim financial statements as full set financial statements or a set of condensed financial statements as described in IAS 34 "Interim Financial Reporting". In this respect, the Group elected to publish set of condensed financial statements for interim periods and these condensed financial statements are prepared in accordance with CMB Financial Reporting Standards.

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

Statutory Decree No: 660, which has been become effective and published in the Official Gazette on 2 November 2011, and the Additional Clause 1 of the Law No: 2499 were nullified and accordingly, Public Oversight, Accounting and Audit Standards Institution (the "Institution") was established. As per Additional Article 1 of the Statutory Decree, applicable laws and standards will apply until new standards and regulations be issued by the Institution and will become effective. In this respect, the respective matter has no effect over the 'Basis of The Preparation of Financial Statements" Note disclosed in the accompanying financial statements as of the reporting date.

EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements ("Statutory Financial Statements") in TRL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and accounting principles issued by the CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These condensed consolidated interim financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards. These condensed consolidated interim financial statements have been prepared by taking into consideration the historical costs except for the financial investments which are accounted for at their fair values.

2.2 Changes in International Financial Reporting Standards

a) New and Revised IFRSs affecting presentation and disclosure only

None.

b) New and Revised IFRSs affecting the reported financial performance and / or balance sheet

None.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS (Continued)

2.2 Changes in International Financial Reporting Standards (continued)

c) New and Revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs have also been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IAS 12 *Deferred Taxes - Recovery of Underlying Assets*

The amendment is effective for annual periods beginning on or after 1 January 2012. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, through sale. Since for its investment properties the Group use the method of recovery through use and calculate deferred tax, the amendment did not have any effect on the interim condensed consolidated financial statements.

Amendments to IFRS 7 *Disclosures - Transfers of Financial Assets*

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

These amendments to IFRS 7 did not have a significant effect on the Group's disclosures. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

d) New and Revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 7	*Disclosures - Offsetting of Financial Assets and Financial Liabilities*
IFRS 9	*Financial Instruments*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 13	*Fair Value Measurement*
Amendments to IAS 1	*Presentation of Items of Other Comprehensive Income*
IAS 19 (as revised in 2011)	*Employee Benefits*
IAS 27 (as revised in 2011)	*Separate Financial Statement*
IAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Amendments to IAS 32	*Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities*

The amendments to IFRS 7 require an entity to disclose information about rights of offset and related agreements for financial instruments under an enforceable master netting agreement or similar arrangement. The new disclosures are required for annual or interim periods beginning on or after 1 January 2013.

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS (Continued)

2.2 Changes in International Financial Reporting Standards (continued)

d) New and Revised IFRSs in issue but not yet effective (continued)

Key requirements of IFRS 9 are described as follows:

- IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 *Financial Instruments*: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 was amended to defer the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 to annual periods beginning on or after 1 January 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after 1 January 2013. The amendments continue to permit early application. The amendments modify the existing comparative transition disclosures in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9 depending on the entity's date of adoption and whether the entity chooses to restate prior periods.

The Group management anticipates that IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2015 and that the application of IFRS 9 may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five standards are described below:

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation - Special Purpose Entities has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation, which is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS (Continued)

2.2 Changes in International Financial Reporting Standards (continued)

d) New and Revised IFRSs in issue but not yet effective (continued)

IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers has been withdrawn upon the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Group management anticipates that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS (Continued)

2.2 Changes in International Financial Reporting Standards (continued)

d) New and Revised IFRSs in issue but not yet effective (continued)

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to IAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Groups' defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

On 19 October 2011 the IASB issued an Interpretation, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, clarifying the requirements for accounting for stripping costs in the production phase of a surface mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted.

The amendments to IAS 32 are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments are effective for annual periods beginning on or after 1 January 2014.

2.3 Summary of significant accounting policies

The Group's significant accounting policies that are used for the preparation of condensed consolidated financial statements as of 31 March 2012 are consistent with accounting policies presented in the consolidated financial statements as 31 December 2011.

Condensed consolidated interim financial statements should be considered together with consolidated financial statements as of 31 December 2011.

2.4 Comparatives

In order to give accurate trend analysis regarding the financial position and performance of the Group, the consolidated balance sheet as of 31 March 2012 is comparatively presented with balance sheet as of 31 December 2011 and the consolidated statements of income, comprehensive income, cash flows and changes in equity for the interim period ended 31 March 2012 are comparatively presented with the consolidated statements of income, comprehensive income, cash flows and changes in equity for the interim period ended 31 March 2011.

Where necessary, comparative figures have been reclassified to conform to the presentation of the current period consolidated financial statements.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 3 - JOINT VENTURES

The aggregate amounts of assets, liabilities and profit/loss of the Joint Ventures, which are proportionately consolidated in the consolidated financial statements, before consolidation adjustments are as follows:

Balance Sheets:	**31 March 2012**	**31 December 2011**
Current assets	142,508	127,649
Non-current assets	90,694	91,033
Total assets	**233,202**	**218,682**
Current liabilities	81,200	62,435
Non-current liabilities	16,946	20,594
Equity	135,056	135,653
Total liabilities and equity	**233,202**	**218,682**

Statements of Income:	**2012**	**2011**
Net sales	76,715	71,930
Cost of sales (-)	(46,835)	(42,180)
Gross profit	**29,880**	**29,750**
Operating expenses (-)	(29,809)	(24,702)
Operating profit	**71**	**5,048**
Financial income, net	505	83
Profit before tax	**576**	**5,131**
Taxes (-)	(933)	(1,159)
Net profit for the year	**(357)**	**3,972**

NOTE 4 - SEGMENT REPORTING

The Group determined its operating segments based upon the reports reviewed and used by the Board of Directors while giving strategic decisions.

During evaluations made for the requirements of IFRS 8 "Operating Segments" effective as of 1 January 2009, the Group decided that operating segments shown below in the disclosures prepared in line with CMB requirements are compatible with the reports presented to Decision Making Authorities related to current operations and that there is no new reportable segment.

The Group continues to operate primarily in three reportable segments as of 31 March 2012:

1. Health:

Production and sale of human health and veterinary medicine.

2. Personal care:

Production, marketing and sale of personal care and consumption products.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

3. Real estate development:

Kanyon:

The sale and lease of the real estate constructed with a 50% - 50% partnership with İş Gayrimenkul Yatırım Ortaklığı A.Ş. ("İŞ GYO") located on Büyükdere Caddesi, in the Şişli district of Istanbul. The lease regards to half of the shopping mall and whole of the office building.

Ormanada project:

On 31 December 2007, the Company acquired half of the 22 pieces of land with a total area of 196,409.74 m² in Yorgancı Çiftliği Mevkii, Uskumru Mahallesi, Sarıyer district in Istanbul. The remaining half belongs to Eczacıbaşı Holding A.Ş.. The aforementioned real estates are apt for residential and partially trade centre development and construction. Total planned construction area amounts to 90 thousand m². Architectural practices with various architecture groups works within the scope of the project development operations, interior decoration and infrastructure practices have been completed for this construction project. Construction licences for the buildings in first phase has been observed. Sales and construction have been started in the last quarter of 2011. Acquisition value of the land and the costs attributable to this project are presented in inventories in the consolidated financial statements (Note 10).

Ayazağa facilities leased to EBX:

Lease is related to serum facilities located in Ayazağa district of Istanbul.

Eczacıbaşı Gayrimenkul:

Providing consulting services regarding land development and project management to Eczacıbaşı Group companies which are operating in real estate development sector.

Segment assets consist of cash and cash equivalents, trade and other receivables, inventories, tangible and intangible assets and other current and non-current assets. Financial assets at fair value through profit or loss, financial assets available for sale and deferred tax assets are excluded from segment assets.

Segment liabilities consist of liabilities related to operations. Current and deferred tax liabilities, financial liabilities and financial liabilities provided by related parties are excluded from segment liabilities.

Capital expenditures consist of purchases of tangible and intangible assets, investment property and goodwill arisen as a result of acquisitions in the current year.

Financial information has not been reported in geographical segments since primary sales and purchases of the Group are performed in Turkey and the majority of the assets of the Group are in Turkey.

Segment assets and liabilities as of 31 March 2012 and 31 December 2011:

	31 March 2012		**31 December 2011**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Health	264,420	(93,441)	292,356	(114,537)
Personal care	230,029	(190,145)	198,009	(165,319)
Real estate development	342,865	(96,083)	311,623	(62,970)
Undistributed	2,218,873	(69,611)	2,229,788	(71,746)
Inter-segment elimination	-	-	(9)	9
Total	**3,056,187**	**(449,280)**	**3,031,767**	**(414,563)**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

Capital expenditures and non-cash expenses of segments for the interim periods ended 31 March:

1 January - 31 March 2012	**Health**	**Personal care**	**Real estate development**	**Undistributed**	**Inter-segment elimination**	**Total**
Capital expenditures (Notes 12, 13 and 14)	1,913	12,874	894	-	-	**15,681**
Non-cash expenses:						
- Depreciation and amortisation (Notes 12, 13 and 14)	2,970	578	1,500	-	-	**5,048**
- Expense accruals (Note 9)	2,548	332	-	-	-	**2,880**
- Provision for diminution in value of inventories (Note 10)	1,085	139	-	-	-	**1,224**
- Provision for unused vacation (Note 16)	1,038	369	56	-	-	**1,463**
- Provision for employment termination benefits (Note 16)	703	164	13	-	-	**880**
- Wage and premium accruals (Note 9)	367	-	-	-	-	**367**
- Provision for doubtful receivables (Note 19)	17	-	-	-	-	**17**
- Provision for litigations (Note 15)	9	-	-	-	-	**9**
	8,737	**1,582**	**1,569**	**-**	**-**	**11,888**
1 January - 31 March 2011						
Capital expenditures (Notes 12, 13 and 14)	3,152	726	85	-	-	**3,963**
Non-cash expenses:						
- Depreciation and amortisation (Notes 12, 13 and 14)	2,713	724	1,468	-	-	**4,905**
- Provision for employment termination benefits (Note 16)	1,192	222	(45)	-	-	**1,369**
- Provision for diminution in value of inventories (Note 10)	1,150	88	-	-	-	**1,238**
- Provision for unused vacation (Note 16)	550	95	48	-	-	**693**
- Expense accruals (Note 9)	506	33	-	-	-	**539**
- Provision for doubtful receivables (Note 19)	105	-	-	-	-	**105**
- Provision for litigations (Note 15)	14	-	-	-	-	**14**
	6,230	**1,162**	**1,471**	**-**	**-**	**8,863**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

Segment results for the interim periods ended 31 March:

1 January - 31 March 2012	**Health**	**Personal care**	**Real estate development**	**Undistributed**	**Inter-segment elimination**	**Total**
Total sales	81,561	190,358	23,662	4	-	**295,585**
Elimination of sales within the Group	(1,124)	(26,000)	(6,926)	-	(4)	**(34,054)**
Sales to third parties	80,437	164,358	16,736	4	(4)	**261,531**
Cost of sales (-)	(53,602)	(133,644)	(8,895)	-	4	**(196,137)**
Gross profit / (loss)	**26,835**	**30,714**	**7,841**	**4**	**-**	**65,394**
Marketing, sales and distribution expenses (-)	(18,834)	(15,455)	(1,709)	(51)	-	**(36,049)**
General administrative expenses (-)	(18,193)	(6,938)	(948)	(993)	-	**(27,072)**
Research and development expenses (-)	(288)	-	-	-	-	**(288)**
Other operating income	2,001	941	13	1	-	**2,956**
Other operating expenses (-)	(2,263)	(689)	1	(58)	-	**(3,009)**
Operating profit / (loss)	**(10,742)**	**8,573**	**5,198**	**(1,097)**	**-**	**1,932**
1 January - 31 March 2011						
Total sales	90,320	153,996	11,023	4	-	**255,343**
Elimination of sales within the Group	(986)	(13,891)	(632)	-	(10)	**(15,519)**
Sales to third parties	89,334	140,105	10,391	4	(10)	**239,824**
Cost of sales (-)	(52,062)	(115,046)	(4,126)	-	10	**(171,224)**
Gross profit / (loss)	**37,272**	**25,059**	**6,265**	**4**	**-**	**68,600**
Marketing, sales and distribution expenses (-)	(17,377)	(14,495)	(1,767)	(40)	-	**(33,679)**
General administrative expenses (-)	(16,703)	(8,026)	(82)	(939)	-	**(25,750)**
Research and development expenses (-)	(1)	-	-	-	-	**(1)**
Other operating income	1,100	1,055	-	26	-	**2,181**
Other operating expenses (-)	(1,435)	(579)	-	(5)	-	**(2,019)**
Operating profit / (loss)	**2,856**	**3,014**	**4,416**	**(954)**	**-**	**9,332**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

Confirmation of operating profits related to operating segments with profit before tax:

	31 March 2012	31 March 2011
Operating profits related to operating segments	3,029	10,286
Undistributed expenses (-)	(1,097)	(954)
Inter-segment elimination	-	-
Losses shares from associates	(3)	(1,931)
Financial income	26,177	32,529
Financial expenses (-)	(36,914)	(11,953)
(Loss) / Profit before tax	**(8,808)**	**27,977**

NOTE 5 - CASH AND CASH EQUIVALENTS

	31 March 2012	31 December 2011
Cash in hand	105	75
Banks	704,270	761,866
- demand deposits	6,469	5,213
- time deposits	697,801	756,653
Other liquid assets	188	55
	704,563	**761,996**

Interest rates for TRL denominated time deposits vary between 8.40% and 10.70% (31 December 2011: 7.00% - 13.00%), whereas interest rates for foreign currency denominated time deposits vary between 4.1% and 6.30% (31 December 2011: 4.75% - 6.10%). The weighted average interest rates per annum for TRL, USD and EUR denominated time deposits are 10.65%, 4.11% and 6.32%, respectively (31 December 2011: 11.57%, 5.49% and 5.15%).

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 March 2012 are presented below:

	31 March 2012	31 December 2011	31 March 2011	31 December 2010
Cash and cash equivalents	704,563	761,996	670,605	656,127
Interest accruals (-)	(2,164)	(1,920)	(1,585)	(2,232)
	702,399	**760,076**	**669,020**	**653,895**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 6 - FINANCIAL INVESTMENTS

The details of financial investments included in current assets as of 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	31 December 2011
Financial assets at fair value through profit and loss	1,489	1,404
Financial investments, current	**1,489**	**1,404**
Financial assets available-for-sale	1,458,966	1,459,959
Financial assets at fair value through profit and loss	3,061	3,972
Financial investments, non-current	**1,462,027**	**1,463,931**

The classification of financial instruments at fair value:

IFRS 7 explains the classifications of valuation techniques.

The classification of financial instruments at fair value is shown as following:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

According to the observability of the data used in fair value measurement, the fair value hierarchy of the Group's financial assets at fair value is shown as follows:

31 March 2012	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	-	1,489	-	1,489
Financial investments, current	**-**	**1,489**	**-**	**1,489**
Financial assets available-for-sale	126,367	242,529	1,090,070	1,458,966
Financial assets at fair value through profit and loss	-	3,061	-	3,061
Financial investments, non-current	**126,367**	**245,590**	**1,090,070**	**1,462,027**

31 December 2011	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	-	1,404	-	1,404
Financial investments, current	**-**	**1,404**	**-**	**1,404**
Financial assets available-for-sale	127,360	242,529	1,090,070	1,459,959
Financial assets at fair value through profit and loss	-	3,972	-	3,972
Financial investments, non-current	**127,360**	**246,501**	**1,090,070**	**1,463,931**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 6 - FINANCIAL INVESTMENTS (Continued)

a) Financial assets at fair value through profit and loss:

Financial assets at fair value related to income statements portfolio consist of international financial investment instruments and national liquid funds.

The Group expects to transfer the investments in foreign portfolio accounts amounted to TRL 1,489 thousand (31 December 2011: TRL 1,404 thousand) in one year period from balance sheet date, remaining balance of TRL 3,061 thousand (31 December 2011: TRL 3,972 thousand) in following periods to the depository accounts in Turkey.

b) Available-for-sale financial assets:

Long-term available-for-sale financial assets:

The list of long-term available for sale financial assets as of 31 March 2012 and 31 December 2011 is as follows:

Listed:	**31 March 2012**	**%**	**31 December 2011**	**%**
Eczacıbaşı Yatırım Ortaklığı A.Ş. (*)	1,858	15	2,961	15
İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş. (*)	931	2	824	2
Türkiye İş Bankası A.Ş. (*)	32	<1	30	<1
Ak Enerji Elektrik Üretim A.Ş. (*) (**)	<1	<1	<1	<1
Eczacıbaşı Yapı Gereçleri San. ve Tic. A.Ş. (*) (**)	<1	<1	<1	<1
	2,822		**3,815**	
Not listed:				
Eczacıbaşı Holding A.Ş. (***)	1,455,444	37	1,455,444	37
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş. (***)	521	14	521	14
Eczacıbaşı Menkul Değerler A.Ş. (***)	151	1	151	1
Other (***)	28		28	
	1,456,144		**1,456,144**	
Total	**1,458,966**		**1,459,959**	

(*) Fair values of financial assets in listed companies are calculated based on current market prices.

(**) As of 31 March 2012, the market prices of Ak Enerji Elektrik Üretim A.Ş. and Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş. are TRL 469 and TRL 218 respectively (31 December 2011: TRL 185 and TRL 433).

(***) Based on the impairment analysis performed for available for sale investments during the interim period, the Group concluded that there isn't any indication for impairment. In this respect, fair value determination study performed as of 31 December 2011, has not been updated for interim period.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 7 - FINANCIAL LIABILITIES

	31 March 2012			31 December 2011		
	Effective interest rate per annum (%) (**)	Original amount	TRL	Effective interest rate per annum (%) (**)	Original amount	TRL
TRL denominated bank borrowings	10.50 - 16.00	-	51,345	10.60 - 15.00	-	18,983
EUR denominated bank borrowings	Euribor + 1.75 - 2.50	5,336	12,628	Euribor + 1.75 - 2.50	2,726	6,661
USD denominated bank borrowings	Libor + 1.75 - 2.00	2,442	4,329	Libor + 1.75 - 2.00	1,306	2,467
Short-term bank borrowings			**68,302**			**28,111**
Factoring liabilities (*)	-	-	-	-	-	22,420
Financial derivatives liabilities	-	-	313	-	-	1,387
Total short-term financial liabilities			**68,615**			**51,918**
TRL denominated bank borrowings	9.34- 16.00	-	2,093	10.60	-	142
EUR denominated bank borrowings	Euribor + 2.50	1,921	4,546	Euribor + 2.50	3,725	9,102
USD denominated bank borrowings	Libor + 2.00	375	665	Libor + 2.00	1,673	3,160
Long-term bank borrowings			**7,304**			**12,404**
Total financial liabilities			**75,919**			**64,332**

(*) As at 31 December 2011, the Group has endorsed some of its receivables to a factoring company amounting to TRL 22,420 thousand. These endorsed receivables are included both in trade receivables (Note 8) and financial liabilities.

(**) Annual weighted interest rates of TRL, USD and EUR denominated short-term bank borrowings are 11.24%, 1.93% and 3.94% respectively (31 December 2011: 14.01%, 3.00% and 4.61%). Annual weighted interest rates of TRL, USD and EUR denominated long-term bank borrowings are 14.56%, 2.80% and 3.92% respectively (31 December 2011: 10.60%, 3.13% and 4.36%).

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Redemption schedule of long-term bank borrowings at 31 March 2012 and 31 December 2011 are presented below:

Year	31 March 2012	31 December 2011
Between 1 - 2 years	2,577	6,927
Between 2 - 3 years	3,073	2,524
Between 3 - 4 years	782	1,383
Between 4 - 5 years	677	1,295
5 years and thereafter	195	275
Total	**7,304**	**12,404**

As at balance sheet date, the Group's risk due to interest rate changes is as follows:

	31 March 2012	31 December 2011
6 months and less	75,606	62,935
Total	**75,606**	**62,935**

Financial lease liabilities of the Group are not subject to re-pricing.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

a) Trade receivables:

Short-term trade receivables:	31 March 2012	31 December 2011
Trade receivables	205,065	172,211
Notes receivables	55,352	39,759
	260,417	**211,970**
Deferred credit finance income (-)	(2,129)	(1,808)
Provision for doubtful receivables (-)	(8,550)	(8,666)
Short-term trade receivables, net	**249,738**	**201,496**

As of 31 March 2012, long-term trade receivables amounting to TRL 716 thousand (31 December 2011: TRL 5,658 thousand) composed of the notes receivables obtained in exchange down payments of preliminary contracts related to real estates, which will be built as a part of "Ormanada" real estate project with 50% ownership the Group and 50% ownership of Eczacıbaşı Holding A.Ş. in the province of Istanbul and in the district of Zekeriyaköy.

Average maturity of the Group's receivables is 74 days (31 December 2011: 64 days) and TRL denominated trade receivables are amortised at 9.30% per annum (31 December 2011: 9.90%).

As of 31 December 2011, trade receivables include receivables endorsed to a factoring company amounting to TRL 22,420 thousand. These receivables are included both in trade receivables and financial liabilities, as the collection risk regarding these endorsed trade receivables belongs to the Group.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

a) Trade receivables (continued):

Movement of provision for doubtful receivables is presented below:

	2012	2011
As of 1 January	8,666	7,532
Current year additions (Note 19)	17	105
Collections (Note 21)	(6)	(93)
Reversal of provisions (-)	(127)	(406)
As of 31 March	**8,550**	**7,138**

Credit risk and aging analysis related to trade receivables are explained in Note 27.

b) Trade payables:

Short-term trade payables	31 March 2012	31 December 2011
Trade payables	90,794	95,251
Deferred credit finance expenses (-)	(396)	(484)
Short-term trade payables, net	**90,398**	**94,767**

Average maturity of the Group's payables is 76 days (31 December 2011: 73 days) and TRL denominated trade payables are amortised at 9.33% per annum (31 December 2011: 10.22%). EUR denominated trade payables are amortised at 0.74% per annum (31 December 2011: 1.20%) and USD denominated payables are amortised at 0.52% per annum (31 December 2011: 0.50%).

NOTE 9 - OTHER CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

Other current assets	31 March 2012	31 December 2011
VAT receivables	4,225	3,652
Prepaid expenses	8,099	2,166
Prepaid taxes and withholding taxes	2,910	1,598
Income accruals	2,256	1,392
Advances given	952	1,041
Other	1,714	152
	20,156	**10,001**

Other non-current assets	31 March 2012	31 December 2011
VAT receivables	56,936	56,165
Advances given for purchase of property, plant and equipment	30,319	26,026
Prepaid taxes under construction activities	2,539	1,999
Prepaid expenses	971	846
Others	2	66
	90,767	**85,102**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 9 - OTHER CURRENT/ NON-CURRENT ASSETS AND LIABILITIES (Continued)

Short-term other liabilities	**31 March 2012**	**31 December 2011**
Deposits and collaterals received	1,014	1,095
Other	330	287
	1,344	**1,382**

Other current liabilities	**31 March 2012**	**31 December 2011**
Advances received (*)	42,270	25,212
Taxes payable	7,623	6,630
Expense accruals	2,872	1,751
Due to personnel	619	985
Accruals for salaries and premiums	367	367
Unearned revenue	150	228
Other	433	377
	54,334	**35,550**

Other non-current liabilities	**31 March 2012**	**31 December 2011**
Advances received (*)	14,966	17,693
Income accruals	8	72
Unearned revenue	-	6
	14,974	**17,771**

(*) Advances received presented in other non-current liabilities composed of down payments of preliminary contracts related to real estates, which will be built as a part of "Ormanada" real estate project with 50% ownership the Group and 50% ownership of Eczacıbaşı Holding A.Ş. in the province of Istanbul and in the district of Zekeriyaköy. Advances received presented in current liabilities amounting to TRL 42,233 thousand (31 December 2011: TRL 25,205) is also related to the down payments received from clients for the same abovementioned project.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 10 - INVENTORIES

	31 March 2012	31 December 2011
Raw materials and supplies	16,608	15,977
Work in progress	1,225	1,278
Finished goods	15,082	11,924
Merchandise	26,817	26,483
Scrap goods	2,172	2,067
Other inventories	2,225	1,842
Goods in transit	11,939	12,714
Land	78,843	70,679
	154,911	**142,964**
Provision for diminution in value of inventories (-)	(7,474)	(7,145)
	147,437	**135,819**

The land in inventories refers to the land purchased by the Group in Zekeriyaköy as part of real estate development activities and project development costs incurred amounting to TRL 41,806 thousand (31 December 2011: TRL 33,642 thousand).

Movement of provision for diminution in value of inventories is presented below:

	2012	2011
As of 1 January	7,145	6,822
Charge for the period (Note 21)	1,224	1,238
Reversals (-)	(809)	(421)
Inventories destroyed	(86)	(8)
As of 31 March	**7,474**	**7,631**

NOTE 11 - INVESTMENTS IN ASSOCIATES

Associates	31 March 2012	31 December 2011
Vitra Karo	44	-
Ekom	14,026	13,910
ESH	425	906
	14,495	**14,816**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 11 - INVESTMENTS IN ASSOCIATES (Continued)

Movements of investments in associates during the year are as follows:

	2012	**2011**
As of 1 January	14,816	25,349
The Group's share in associates' profit / (loss)	(3)	(1,931)
Capital advance payments	-	185
Change in the fair value of available-for-sale financial assets	15	-
Increases / (decreases) due to currency translation differences	(333)	1,462
As of 31 March	**14,495**	**25,065**

The Group's share in the assets, liabilities as of 31 March 2012 and 31 December 2011, net sales of the associates for the periods ended 31 March are presented below:

	31 March 2012				
Associates	**Assets**	**Liabilities**	**Net sales**	**Net profit / (loss) for the period**	**Total proportion of ownership interest (%)**
Ekom	1,024,020	970,812	224,822	105	26.36
Vitra Karo	727,816	721,742	183,600	378	25.00
ESH	6,254	5,384	4,182	(486)	48.35
				(3)	

	31 December 2011		**31 March 2011**		
Associates	**Assets**	**Liabilities**	**Net sales**	**Net profit / (loss) for the period**	**Total proportion of ownership interest (%)**
Ekom	1,010,781	958,028	151,264	75	26.36
Vitra Karo	695,109	700,765	87,858	(1,566)	25.00
ESH	5,502	3,628	3,950	(440)	46.46
				(1,931)	

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 12 - INVESTMENT PROPERTIES

Cost	1 January 2012	Additions	Disposals	31 March 2012
Kanyon	226,841	863	-	227,704
Buildings	7,584	8	-	7,592
Lands and land improvements	204	-	-	204
	234,629	**871**	-	**235,500**
Accumulated depreciation				
Kanyon	27,119	1,372	-	28,491
Buildings	7,069	19	-	7,088
Lands and land improvements	83	2	-	85
	34,271	**1,393**	**-**	**35,664**
Carrying amount	**200,358**			**199,836**

Cost	1 January 2011	Additions	Disposals	31 March 2011
Kanyon	224,091	3	-	224,094
Buildings	7,208	6	-	7,214
Lands and land improvements	523	-	-	523
	231,822	**9**	**-**	**231,831**
Accumulated depreciation				
Kanyon	22,828	1,376	-	24,204
Buildings	5,674	20	-	5,694
Lands and land improvements	127	1	-	128
	28,629	**1,397**	**-**	**30,026**
Carrying amount	**203,193**			**201,805**

As of 31 December 2011, fair value of Kanyon is approximately TRL 450 million, which is calculated from net present value of estimated rent income of Kanyon shopping center and office complex. Based on the impairment analysis performed for Kanyon during the interim period, the Group concluded that there isn't any indication for impairment. In this respect, fair value determination study performed as of 31 December 2011, has not been updated for interim period.

For the periods ending at 31 March, total rent income of Kanyon shopping center and office complex is amounted to TRL 9,820 thousand (31 March 2011: TRL 8,316 thousand) and repair and maintenance expense of the related period is amounted to TRL 29 thousand (31 March 2011: TRL 48 thousand).

Depreciation expenses for the three months period ended 31 March are included in cost of services sold.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

Cost	1 January 2012	Additions	Disposals	Transfers	31 March 2012
Land and land improvements	7,892	112	-	-	8,004
Buildings	27,978	12,435	-	-	40,413
Machinery, plant and equipment	92,690	760	(26)	-	93,424
Motor vehicles	2,174	15	(32)	-	2,157
Furniture and fixtures	22,568	349	(46)	-	22,871
Construction in progress (*)	9,918	239	-	-	10,157
Leasehold improvements	14,016	19	-	-	14,035
Other tangible assets	10,499	111	(13)	-	10,597
	187,735	**14,040**	**(117)**	**-**	**201,658**
Accumulated depreciation					
Land improvements	158	4	-	-	162
Buildings	7,084	181	-	-	7,265
Machinery, plant and equipment	64,478	1,486	(7)	-	65,957
Motor vehicles	1,525	25	(26)	-	1,524
Furniture and fixtures	15,839	485	(8)	-	16,316
Leasehold improvements	10,127	229	-	-	10,356
Other tangible assets	9,511	106	(2)	-	9,615
	108,722	**2,516**	**(43)**	**-**	**111,195**
Carrying amount	**79,013**				**90,463**

(*) Construction in progress are composed of the Eczacıbaşı-Monrol's factory construction in Romania amounting to TRL 4,996 thousand and Eczacıbaşı Monrol's construction of the production facility in Malatya amounting to TRL 3,685 thousand.

Allocation of depreciation expenses is as follows: TRL 1,125 thousand in cost of goods sold, TRL 787 thousand in marketing, sales and distribution expenses, TRL 602 thousand in general and administrative expenses and TRL 2 thousand in research and development expenses.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost	1 January 2011	Additions	Disposals	Transfers	31 March 2011
Land and land improvements	5,445	-	-	-	5,445
Buildings	25,795	8	-	-	25,803
Machinery, plant and equipment	89,727	271	(248)	-	89,750
Motor vehicles	3,000	35	(133)	-	2,902
Furniture and fixtures	25,863	352	(113)	-	26,102
Construction in progress (*)	5,694	1,819	-	-	7,513
Leasehold improvements	13,823	87	(288)	-	13,622
Other tangible assets	5,108	185	(11)	-	5,282
	174,455	**2,757**	**(793)**	**-**	**176,419**
Accumulated depreciation					
Land improvements	141	4	-	-	145
Buildings	6,542	145	-	-	6,687
Machinery, plant and equipment	59,742	1,389	(118)	-	61,013
Motor vehicles	2,292	65	(120)	-	2,237
Furniture and fixtures	19,662	473	(87)	-	20,048
Leasehold improvements	9,713	310	(216)	-	9,807
Other tangible assets	4,342	149	(11)	-	4,480
	102,434	**2,535**	**(552)**	**-**	**104,417**
Carrying amount	**72,021**				**72,002**

(*) Construction in progress are composed of the Eczacıbaşı-Monrol's factory construction in Romania amounting to TRL 3,349 thousand, Eczacıbaşı Monrol's construction of the production facility in Malatya amounting to TRL 463 thousand and Eczacıbaşı Monrol's construction of the production facility in Antalya amounting to TRL 1,835 thousand.

Allocation of depreciation expenses is as follows: TRL 1,399 thousand in cost of goods sold, TRL 581 thousand in marketing, sales and distribution expenses, TRL 554 thousand in general and administrative expenses and TRL 1 thousand in research and development expenses.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Net book value of property, plant and equipment acquired under finance leases at 31 March 2012 is TRL 629 thousand (31 March 2011: TRL 1,096 thousand) and historical amounts and accumulated depreciation amounts are as follows:

	31 March 2012		
	Cost	**Accumulated depreciation**	**Carrying amount**
Machinery, plant and equipment	7,542	(6,913)	629
Motor vehicles	288	(288)	-
Furniture and fixtures	151	(151)	-
	7,981	**(7,352)**	**629**

	31 March 2011		
	Cost	**Accumulated depreciation**	**Carrying amount**
Machinery, plant and equipment	7,542	(6,446)	1,096
Motor vehicles	288	(288)	-
Furniture and fixtures	151	(151)	-
	7,981	**(6,885)**	**1,096**

As of 31 March 2012 and 31 March 2011, there are no pledges or liens on Group's property, plant and equipment.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 14 - INTANGIBLE ASSETS

Cost	1 January 2012	Additions	Disposals	Transfers	31 March 2012
Customer relations, licences and royalty	20,901	-	-	-	20,901
Rights	6,065	33	(27)	-	6,071
Computer software	16,449	93	(1)	148	16,689
Construction in progress	4,743	601	-	(148)	5,196
Production privilege	16	13	-	-	29
Other intangible assets	4,385	30	(58)	-	4,357
	52,559	**770**	**(86)**	**-**	**53,243**
Accumulated amortisation					
Customer relations, licences and royalty	8,006	407	-	-	8,413
Rights	3,026	170	-	-	3,196
Computer software	11,275	497	-	-	11,772
Production privilege	9	7	-	-	16
Other intangible assets	3,397	58	-	-	3,455
	25,713	**1,139**	-	**-**	**26,852**
Carrying amount	**26,846**				**26,391**

Allocation of amortisation charge is as follows: TRL 509 thousand in cost of goods sold, TRL 357 thousand in marketing, sales and distribution expenses and TRL 273 thousand in general and administrative expenses.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 14 - INTANGIBLE ASSETS (Continued)

Cost	1 January 2011	Additions	Disposals	Transfers	31 March 2011
Customer relations, licences and royalty	20,901	-	-	19	20,920
Rights	4,575	113	-	-	4,688
Computer software	13,239	74	(2)	-	13,311
Construction in progress	3,581	810	(11)	(19)	4,361
Other intangible assets	4,302	200	(73)	-	4,429
	46,598	**1,197**	**(86)**	**-**	**47,709**
Accumulated amortisation					
Customer relations, licences and royalty	6,118	467	-	-	6,585
Rights	2,272	51	-	-	2,323
Computer software	9,656	388	-	-	10,043
Other intangible assets	2,677	67	-	-	2,714
	20,723	**973**	**-**	**-**	**21,665**
Carrying amount	**25,875**				**26,044**

Allocation of amortisation charge is as follows: TRL 537 thousand in cost of goods sold, TRL 233 thousand in marketing, sales and distribution expenses and TRL 213 thousand in general and administrative expenses.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions:

	31 March 2012	31 December 2011
Provision for litigations	1,407	1,398
	1,407	**1,398**

Provision for litigations:

The Group has provided provision for the lawsuits filed against the Group in the amount of TRL 1,407 thousand (31 December 2011: TRL 1,398 thousand) based on the legal opinions taken on juridical, labour, commercial and administrative litigations and the assessment of similar litigations' consequences in the past. Movement of the provision for litigations are stated below:

	2012	2011
As of 1 January	1,398	738
Charge for the period	9	14
As of 31 March	**1,407**	**752**

b) Contingent assets:

The Competition Authority decided to conduct an inquiry for eight companies, including EİP, regarding tender of the Training Hospitals. As a result of the inquiry, a decision was made by the Competition Board at 19 January 2007 and announced to the parties. With this decision, an administrative penalty amounting to TRL 1,211 thousand, equivalent of 7.5‰ of the net sales of 2001, has been imposed on EİP. Regarding the penalty mentioned a reduced payment of TRL 908 thousand has been made for early payment; there are no additional liabilities attributable to the penalty. The Group has applied to the Council of State for the refund of the penalty.

c) Contingent liabilities:

Tax penalty communicated as at 31 December 2007:

Upon inspections of companies in pharmaceuticals industry by the Tax Inspectors Board of the Ministry of Finance, TRL 3,656 thousand regarding the additional corporate income tax and its associated withholding tax and TRL 5,877 penalty (TRL 3,656 thousand of the penalty is attributable to additional corporate income tax and TRL 2,221 thousand relate to temporary income tax) has been levied against the Company as at 31 December 2007 by Boğaziçi Corporate Tax Administration by tax inspection reports regarding 2002 addressed to the Company.

As at 26 May 2009, the Company filed a lawsuit for the related tax penalties in the Tax Court of Istanbul since no settlement was reached in the Commission for Tax Reconciliations in the Ministry of Finance. The lawsuit resulted in favour of the Company and all penalties have been cancelled.

Boğaziçi Corporate Tax Administration has applied to the Council of State for the appeal of this lawsuit. The Company's response to the petition of the defendant submitted to the Council of State, based on the verdict given by the Council of State and the notification received by the Company the appeal application of the Tax Administration was denied, and the decision of the Tax Court was approved. Accordingly, the lawsuit resulted in favour of the Company and all accrued income taxes and penalties have been cancelled.

NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c) Contingent liabilities (continued):

Tax penalty communicated as at 26 December 2008:

Upon inspections to companies in pharmaceuticals industry by Tax Inspectors Board of Ministry of Finance, TRL 13,344 thousand regarding the corporate income tax and its associated withholding tax and TRL 8,896 thousand of penalty (TRL 5,709 thousand of the penalty is attributable to additional corporate income tax and TRL 3,187 thousand relate to temporary income tax) has been levied against the Company as at 26 December 2008 by the Boğaziçi Corporate Tax Administration in the tax inspection reports regarding 2003 addressed to the Company.

Since no settlement was reached in the meeting held in Commission for Tax Reconciliations of the Ministry of Finance on 24 June 2009, the Company filed a lawsuit in the Tax Court of Istanbul within the legal timeframe, and all lawsuits are concluded in favour of the Company.

Boğaziçi Corporate Tax Administration has applied to the Council of State for the appeal of this lawsuit. The Company's response to the petition of the defendant submitted to the Council of State, based on the verdict given by the Council of State and the notification received by the Company the appeal application of the Tax Administration was denied, and the decision of the Tax Court was approved. Accordingly, the lawsuit resulted in favour of the Company and all accrued income taxes and penalties have been cancelled.

Tax penalty communicated as at 12 June 2009:

Upon inspections of companies in pharmaceuticals industry by the Tax Inspectors Board of the Ministry of Finance, TRL 10,914 thousand regarding the corporate income tax and its associated withholding tax and TRL 7,256 of penalty (TRL 2,340 thousand of the penalty is attributable to additional corporate income tax and TRL 4,916 thousand relate to temporary income tax) have been levied against the Company as at 12 June 2009 by the Boğaziçi Corporate Tax Administration in the tax inspection reports of the Company regarding 2004.

As of 2 April 2010, the Company filed a lawsuit in the Tax Court of Istanbul, since no settlement was reached in the meeting held in Commission for Tax Reconciliations of the Ministry of Finance. Based on the verdict notified to the Company by the 10th Tax Court of Istanbul on 7 April 2011, all lawsuits are concluded in favour of the Company.

Boğaziçi Corporate Tax Administration has applied to the Council of State for the appeal of this lawsuit. The Company corresponded to the petition and sent to Council of State and appeal is in progress.

The Company has not provided any provision for this inspection in the consolidated financial statements, since the lawsuit on the same subject related to the years 2002 and 2003 concluded in favour of the Company in the Tax Court and Council of State.

Tax penalty communicated as at 7 April 2011:

Upon inspections of companies in pharmaceuticals industry by the Tax Inspectors Board of the Ministry of Finance, TRL 13,517 thousand regarding the corporate income tax (TRL 3,033 thousand of the penalty is attributable to corporate income tax and TRL 10,484 thousand relate to advance temporary income tax) and TRL 20,276 of penalty have been levied against the Company by the Büyük Mükellefler Tax Administration in the tax inspection reports of the Company regarding 2006 and 2007.

As a result of assessment made about notifications, the Company filed a lawsuit in İstanbul Tax Court within the legal timeframe, considering the lawsuits on the same subjects filed in previous years which concluded in favour of the Company, for penalties related to 2006 - 2007. According to the decisions notified by Istanbul 10th Tax Court on 28 December 2011, all aforesaid lawsuits resulted in favour of the company.

NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c) Contingent liabilities (continued):

Tax penalty communicated as at 7 April 2011 (cont'd):

On 29 December 2011, a VAT report is prepared by tax inspectors of Ministry of Finance in connection with tax inspection report related to 2006 which was resulted in favour of the Company. Based on that report, TRL 3,113 thousand regarding the tax and TRL 3,113 thousand regarding the penalty have been levied against the Company by the Büyük Mükellefler Tax Administration.

For the related notices, it has been decided to benefit from the reconciliation clauses of tax law and within this context, on 27 January 2012 the Company applied to Commission for Tax Reconciliations in the Ministry of Finance. The information on the location and date of the reconciliation is waited.

The Company has not provided a provision for this inspection in the consolidated financial statements; since it has lawsuits resulted in favour of the Company related to corporate tax inspection reports which is the base of VAT reports.

The lawsuit related to price differences from market values:

Various public hospitals governed by Turkish Ministry of Health ("MoH") claimed approximately TRL 1,749 thousand for the refund of price differences determined between the prices of medical supplies at which the Group sold to these public hospitals and the market values which were determined by Market Value Settlement Committee established by Social Security Institution Health Administration Department based on the vesting deed given by the Group in 1998. The Group faced lawsuits filed against it by the MoH for the collection of these claims amounting to approximately TRL 403 thousand; preliminary hearings and discovery proceedings in these lawsuits are in progress. Considering the continuing legal process and uncertainty regarding the ultimate outcome of the matter, no provision has been provided in the consolidated financial statements.

Tax penalty communicated to Company's joint venture EBX

As published in material events disclosure on 5 August 2011 and 7 September 2011, in relation with inquiry reports issued by tax inspectors of Ministry of Finance; upon inspections of services rendered by the Company's joint venture Eczacıbaşı Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş. in the context of VAT refund related to fiscal year 2006, TRL 11,585 thousand regarding the tax (TRL 8,129 thousand of the penalty is attributable to corporate income tax and TRL 3,456 thousand relate to VAT) and TRL 15,239 thousand of penalty have been levied against the Company by the Büyük Mükellefler Tax Administration / Boğaziçi Corporate Tax Administration.

For the related tax and penalties, the Company applied to Commission for Tax Reconciliations in the Ministry of Finance for reconciliation. The Company filed a lawsuit for the related tax penalties in the Tax Court on 2 December 2011 since no settlement was reached during the reconciliations. The lawsuit is still in progress.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

d) Guarantees given and taken:

	31 March 2012			
Guarantees given	**USD**	**EUR**	**TRL**	**Total**
Suretyship declaration for bank borrowings	-	-	2,500	2,500
Letters of guarantee	428	-	22,768	23,196
Guaranteed bills of exchange	1	11	-	12
	429	**11**	**25,268**	**25,708**
Guarantees taken	**USD**	**EUR**	**TRL**	**Total**
Letters of guarantee	23,445	9,273	78,169	110,887
Mortgages	-	-	25,558	25,558
Guaranteed bills of exchange	261	-	13,893	14,154
	23,706	**9,273**	**117,620**	**150,599**

	31 December 2011			
Guarantees given	**USD**	**EUR**	**TRL**	**Total**
Suretyship declaration for bank borrowings	-	-	2,500	2,500
Letters of guarantee	139	-	15,583	15,722
Guaranteed bills of exchange	1	11	-	12
	140	**11**	**18,083**	**18,234**
Guarantees taken	**USD**	**EUR**	**TRL**	**Total**
Letters of guarantee	25,500	7,412	71,375	104,287
Mortgages	-	-	25,558	25,558
Guaranteed bills of exchange	-	359	10,184	10,543
	25,500	**7,771**	**107,117**	**140,388**

Letters and guaranteed bills of exchange were given to suppliers and government institutions, mortgages, cheques and guaranteed bills of exchange were taken from customer for trade receivables of the Group.

Letter of guarantees taken amounting to TRL 1,007 thousand (31 December 2011: TRL 1,046 thousand) were received from the subcontractors involved in the construction of Kanyon to fulfill the work that was determined according to the contract clauses.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Collateral/pledge/mortgage ("CPM") position of the majority shareholder EİS Eczacıbaşı İlaç Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. as of 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	31 December 2011
A. CPMs given for Company's own legal personality	2,602	2,602
- Collateral (Fully denominated in TRL)	*2,602*	*2,602*
- Pledge	-	-
- Mortgage	-	-
B. CPMs given on behalf of fully consolidated companies	-	-
- Collateral	-	-
- Pledge	-	-
- Mortgage	-	-
C. CPMs given in the normal course of business activities on behalf of third parties	-	-
D. Total amount of other CPMs	-	-
i. Total amount of CPMs given on behalf of the parent	-	-
- Collateral	-	-
- Pledge	-	-
- Mortgage	-	-
ii. Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C	-	-
iii. Total amount of CPMs given on behalf of third parties which are not in scope of C	-	-
	2,602	**2,602**

Proportion of other CPMs given to the Group's equity as of 31 March 2012 is 0% (31 December 2011: 0%).

NOTE 16 - EMPLOYEE BENEFITS

	31 March 2012	31 December 2011
Provision for employment termination benefits	8,009	6,743
Provision for unused vacations	8,139	7,478
	16,148	**14,221**

Under Turkish Labour Law, the Company and its Turkish Subsidiaries and Joint Ventures are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men), Some transition provisions related to the pre-retirement service term were excluded from the law since the related law was amended as of 23 May 2002.

As of 31 March 2012, the amount payable consists of one month's salary limited to a maximum of TRL 2,805.04 (31 December 2011: TRL 2,731.85) for each year of service.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 16 - EMPLOYEE BENEFITS (Continued)

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. and its subsidiaries and joint ventures registered in Turkey arising from the retirement of employees.

IAS 19 "Employee Benefits" published by IASB require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	2012	2011
Discount rate (%)	4.53 - 4.66	4.53 - 4.66
Turnover rate to estimate the probability of retirement (%)	96	96

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. As the maximum liability is revised semi-annually, the maximum amount of TRL 2,805.04 effective from 1 January 2012 (1 January 2011: TRL 2,623.23) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

Provision for employment termination benefits:

Movements in the provision for employment termination benefits are as follows as of 31 March:

	2012	2011
As of 1 January	7,478	7,293
Charge for the period (Note 19)	880	1,369
Payments during the period (-)	(219)	(678)
As of 31 March	**8,139**	**7,984**

At 31 March 2012 total number of personnel employed by the Group is 2,328 (31 December 2011: 1,947).

Provision for unused vacations:

Movements in the provision for unused vacation are as follows as of 31 March:

	2012	2011
As of 1 January	6,743	5,957
Charge for the period (Note 19)	1,463	693
Payments during the period (-)	(197)	(1,060)
As of 31 March	**8,009**	**5,590**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 17 - EQUITY

EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of Kr 1. There are no privileged shares, EİS Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş.'s subscribed, historical and authorised share capital for the years ended at 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	31 December 2011
Limit on registered share capital (historical value)	200,000	200,000
Authorised share capital approved with nominal value	548,208	548,208

Companies in Turkey may exceed the limit on their registered share capital if they distribute bonus shares to their shareholders.

At 31 March 2012 and 31 December 2011, the shareholders of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. and their proportion of ownership interests in historical share capital are as follows:

Shareholders	%	31 March 2012	%	31 December 2011
Eczacıbaşı Holding A.Ş.	50.62	277,476	50.62	277,476
Eczacıbaşı Yatırım Holding Ortaklığı A.Ş.	20.56	112,712	20.22	110,849
Other (listed) (*)	28.82	158,020	29.16	159,883
Total	**100.00**	**548,208**	**100.00**	**548,208**
Adjustment to share capital		105,777		105,777
Total authorised share capital		**653,985**		**653,985**

(*) Within the framework of Capital Markets Board's decision, dated 23 July 2011 and numbered 21/655, actual rates of the shares in circulation of the listed companies in Istanbul Stock Exchange are announced on a weekly basis starting from the period ended 31 March 2011, became effective as of 1 October 2011 by the Central Registry Agency ("CRA"), According to the report published by CRA on 30 March 2012, 28.53% (30 December 2011: 28.89%) of the Group's shares in circulation are presented in the other group.

Adjustment to share capital represents the difference between the cash contributions adjusted for inflation and the cash contributions prior to adjustment for inflation.

Retained earnings in statutory accounts can be distributed except jurisdiction stated below related to legal reserves.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in/authorised share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in/authorised share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in/authorised share capital. Total amount of legal reserves of the Company is TRL 28,986 thousand (31 December 2011: TRL 28,986 thousand).

The aforementioned legal reserves and special reserves shall be classified in "Restricted reserves" in accordance with CMB Financial Reporting Standards. Details of the restricted reserves are as follows:

	31 March 2012	31 December 2011
Legal reserves	28,986	28,986
Special reserves	219,768	219,768
	248,754	**248,754**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 18 - OPERATING REVENUE AND COST OF GOODS SALES

	1 January - 31 March 2012	1 January - 31 March 2011
Domestic sales	379,100	359,048
Exports	2,873	1,610
Gross sales	**381,973**	**360,658**
Sales returns (-)	(2,529)	(5,252)
Sales discounts (-)	(117,913)	(115,582)
Net sales	**261,531**	**239,824**
Cost of sales (-)	(196,137)	(171,224)
Gross profit	**65,394**	**68,600**

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

Marketing, selling and distribution expenses	1 January - 31 March 2012	1 January - 31 March 2011
Personnel expenses	13,831	13,561
Advertisement, presentation and promotion expenses	8,800	8,652
Transportation, distribution and warehousing expenses	4,719	4,006
Rent expenses	1,553	1,646
Fuel, energy and water expenses	1,491	293
Depreciation and amortisation expenses (Notes 13 and 14)	875	804
Travelling expenses	750	517
Representation and hosting expenses	426	402
Consultancy expenses	229	398
Provision expense for doubtful receivables (Note 8 and 26.a)	17	105
Other	3,358	3,295
	36,049	**33,679**

General and administrative expenses	1 January - 31 March 2012	1 January - 31 March 2011
Personnel expenses	9,537	11,247
Royalty expenses	5,088	5,343
Consultancy expenses	3,866	3,396
Provision for unused vacation (Note 16)	1,463	693
Rent expenses	1,437	748
Depreciation and amortisation expenses (Notes 13 and 14)	1,144	767
Provision for employment termination benefits and actuarial loss (Note 16)	880	1,369
Repair and maintenance expenses	696	598
Miscellaneous taxes	354	121
Other	2,607	1,468
	27,072	**25,750**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 20 - EXPENSES BY NATURE

	1 January - 31 March 2012	1 January - 31 March 2011
Purchase and consumption of inventories	162,303	132,754
Personnel expenses	30,237	31,993
Advertisement and promotion expense (Note 19)	8,800	8,665
Consultancy expense (Note 19)	5,266	3,830
Royalty expense (Note 19)	5,150	5,343
Depreciation and amortisation expense (Notes 12, 13, and 14)	5,048	4,905
Service expenses	4,964	5,690
Transportation, distribution and warehousing expenses (Note 19)	4,719	4,017
Changes in commercial inventories	3,439	9,768
Rent expense (Note 19)	2,990	2,586
Contract manufacturing expense	1,934	5,057
Provision for employment termination benefits (Note 16)	880	1,369
Other	23,816	14,676
	259,546	**230,653**

NOTE 21 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 31 March 2012	1 January - 31 March 2011
Reversal of provisions	1,059	684
Revenue from reversal of allowance for impairment on inventory	809	421
Gain from sales of fixed assets	49	48
Compensation income	33	15
Commission income	31	-
Collections from doubtful receivables (Note 8 and 26.a)	6	96
Insurance refund	-	40
Other	969	877
	2,956	**2,181**

Other operating expenses	1 January - 31 March 2012	1 January - 31 March 2011
Provision expense for diminution in value of inventories (Note 10)	1,224	1,238
Provision expenses	969	-
Donation expenses	224	283
Inventories destroyed	34	26
Loss on sales of fixed assets	27	44
Compensation expenses	20	-
Others	511	428
	3,009	**2,019**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 22 - FINANCIAL INCOME

	1 January - 31 March 2012	1 January - 31 March 2011
Interest income from bank deposits	12,310	8,831
Foreign exchange gains	9,827	22,927
Credit finance income	2,653	735
Forward income	1,387	-
Other	-	36
	26,177	**32,529**

NOTE 23 - FINANCIAL EXPENSES

	1 January - 31 March 2012	1 January - 31 March 2011
Foreign exchange losses	33,163	10,739
Credit finance expenses	1,364	314
Interest expense from bank borrowings	1,252	70
Fair value changes recognised in profit and loss	497	458
Forward expenses	313	42
Other	325	330
	36,914	**11,953**

NOTE 24 - TAX ASSETS AND LIABILITIES

a) Current income tax on profits:

	31 March 2012	31 December 2011
Corporate and income taxes payable	2,282	32,687
Prepaid taxes (-)	(552)	(31,613)
Current income tax liabilities (net)	**1,730**	**1,074**

Turkish tax legislation does not permit a parent company and its Subsidiaries, Joint Ventures and Associates to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Corporate Tax Law is changed with Law No. 5520 dated 13 June 2006. Most of the articles of mentioned law have become effective as of 1 January 2006. Accordingly, corporate tax rate in Turkey is 20% for 2012 (2011: 20%). Corporation tax is payable on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment incentive allowance, etc.) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed except withholding tax at the rate of 19.8% on the investment incentive allowance utilised within the scope of the Income Tax Law transitional Article 61.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

a) Current income tax on profits (continued):

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income by preparing tax declaration within the period of two months and 14 days subsequent to the corresponding quarter. Advance tax is payable by the 17^{th} of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No. 5024 "Law Related to Changes in Tax Procedural Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of Turkish lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (SIS-WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment was not applied as these conditions were not fulfilled in the fiscal year 2010 and 2009.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

Turkish Corporate Tax Law No, 5422 on "Exemption of real estate and investment sales gains" has been amended by Law No: 5520 effective from 1 January 2006. A 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets for more than two full years is exempt from corporate tax.

The Constitutional Court's decision numbered 2009/144 published in the Official Gazette on 8 January 2011 annulled the clause "The utilisation of allowances given from investments has been limited for years 2006, 2007 and 2008" of Temporary Article 69 of Income Tax Law 193. This arrangement has been changed according to the regulation, published in the Official Gazette on 1 August 2010 based on Law No. 6009, the investment allowance amounts can be used without a year limitation. Investment allowance amount, which will be used in the determination of the tax assessment, will not exceed 25% profit of the concerned period. In addition to this, 20% corporate tax rate will be applied on the income after the deduction of the allowance.

The taxes on income reflected to the consolidated income statement at 31 March 2012 and 2011 are summarized below:

	31 March 2012	31 March 2011
Current income tax charge (-)	(2,282)	(7,244)
Deferred income tax benefit	2,862	1,012
Total income tax charge (-)	**580**	**(6,232)**

(Amounts expressed in thousands of Turkish lira (“TRL”) unless otherwise indicated.)

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

a) Current income tax on profits (continued):

The reconciliation as of 31 March corporation tax expense included in the consolidated statement of income to the tax expense calculated with the current tax rate on the consolidated income before taxes is as follows:

	1 January - 31 March 2012	1 January - 31 March 2011
Profit before tax	**(8,808)**	**27,977**
Effective tax rate	20%	20%
Current year corporation tax expense	**1,762**	**(5,595)**
Disallowable expenses	(49)	(98)
Tax effect of exempt income	8	36
Items disregarded in the calculation of deferred income tax	(772)	(575)
Current period tax losses	(369)	-
Total income tax charge (-)	**580**	**(6.232)**

b) Deferred income tax:

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between the financial statements prepared in accordance with CMB Financial Reporting Standards and the tax financial statements. Such temporary differences generally arise due to revenues and expenses being recognised in different fiscal periods in accordance with tax regulations and CMB Financial Reporting Standards. The tax rate used for deferred income tax assets and liabilities is 20% (31 December 2011: 20%).

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

b) Deferred income tax (continued):

The breakdown of cumulative temporary differences and the resulting deferred income tax assets and liabilities provided at 31 March 2012 and 31 December 2011 using the enacted tax rates is as follows:

	Cumulative temporary differences		Deferred income tax assets / (liabilities)	
	31 March 2012	**31 December 2011**	**31 March 2012**	**31 December 2011**
Provision for unused vacation	(7,975)	(6,733)	1,595	1,347
Provision for employment termination benefits	(8,080)	(7,424)	1,616	1,485
Differences between the tax base and carrying amount of inventories	(11,741)	(8,583)	2,348	1,717
Provision for doubtful receivables	(4,059)	(4,337)	812	867
Sales cut-off	(215)	(159)	43	32
Deferred credit finance income	(2,019)	(1,630)	404	326
Provision for litigations	(1,350)	(1,347)	270	269
Accruals for salaries and premiums	(367)	(367)	73	73
Tax losses carried forward	(15,583)	(4,432)	3,030	814
Forward income / (expense) accruals	(313)	(1,387)	63	277
Other	(660)	(2,239)	132	448
Deferred income tax assets (**)	**(52,362)**	**(38,638)**	**10,386**	**7,655**
Fair value differences of available-for-sale financial assets (*)	1,300,332	1,301,325	(65,017)	(65,066)
Difference between the tax base and carrying amount of investment property, property, plant and equipment and intangible assets	12,862	14,078	(2,218)	(2,427)
Deferred credit finance expenses	1,096	706	(219)	(141)
Deferred income tax liabilities (-) (**)	**1,314,290**	**1,316,109**	**(67,454)**	**(67,634)**
Deferred income tax liabilities, net	**1,261,928**	**1,277,471**	**(57,068)**	**(59,979)**

(*) Difference between fair value and book value amounts to TRL 1,300,332 thousand (31 December 2011: TRL 1,301,325 thousand) and based on the 75% exemption from the corporate tax denoted in Article 5, subsection (1), clause (e) of Corporate Tax Law No. 5520, deferred tax is calculated by applying 5% effective tax rate.

(**) Since deferred tax assets and deferred tax liabilities in the schedule above are summarized by nature of the temporary differences subject to deferred tax, they express the offset of deferred tax asset amounting to TRL 67,525 thousand (31 December 2011: TRL 68,061 thousand) and deferred tax liability amounting to TRL 10,457 thousand (31 December 2011: TRL 8,082 thousand) presented in the financial statements, which are calculated on a separate entity basis for all companies included in the scope of consolidation.

Based on the assessment made, it has been concluded that the Group will not be able to utilise deductible temporary differences amounting to TRL 1.845 thousand (31 December 2011: TRL 15.065 thousand) and deferred income tax assets have not been recognised on these deductible temporary differences as of 31 March 2012.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

b) Deferred income tax (continued):

Since each subsidiary and joint venture are separate taxpayers, net deferred income tax assets or liabilities for each of these taxpayers have been calculated; however these have not been offset in the consolidated balance sheets. The movement of deferred income tax liabilities as of 31 March 2012 and 31 March 2011 are as follows:

	2012	**2011**
As of 1 January	(59,979)	(52,544)
Current year deferred income tax benefit	2,862	1,012
Deferred income tax liability accounted under equity resulting from increase in value of available-for-sale financial assets	49	12
As of 31 March	**(57,068)**	**(51,520)**

NOTE 25 - EARNINGS PER SHARE

	31 March 2012	**31 March 2011**
Net income attributable to equity holders of the Company	(9,016)	21,547
Weighted average number of ordinary shares with face value of Kr 1 each	54,820,800,000	54,820,800,000
Basic and diluted earnings per share (Kr)	**(0.02)**	**0.04**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Balances with related parties at 31 March 2012 and 31 December 2011:

Short-term trade receivables from related parties	**31 March 2012**	**31 December 2011**
Due from shareholders		
Eczacıbaşı Holding A.Ş.	187	7
	187	**7**
Due from Joint Ventures		
Eczacıbaşı-Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş.	222	232
Eczacıbaşı-Monrol Nükleer Ürünler Sanayi ve Ticaret A.Ş.	1	1
	223	**233**
Due from Associates		
Ekom Eczacıbaşı Dış Ticaret A.Ş.	123	290
Eczacıbaşı Sağlık Hizmetleri A.Ş.	2	-
	125	**290**
Due from other related parties		
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	420	2
ESİ Eczacıbaşı Sigorta Acenteliği A.Ş.	16	-
Other	88	69
	524	**71**
	1,059	**601**
Provision for doubtful receivables (-)	-	-
Short-term due from related parties	**1,059**	**601**

Average maturity of the Group's receivables from related parties is 28 days (31 December 2011: 69 days) and is amortised at 9.30% per annum (31 December 2011: 7.18%).

Movement of provision for doubtful receivables for the years ended at 31 March is as follows:

	2012	**2011**
As of 1 January	-	198
Current year additions (Note 19)	-	-
Collections (Note 21)	-	(3)
As of 31 March	**-**	**195**

In the previous period, provisions for doubtful receivables are wholly related to the receivables from exports performed via Ekom Eczacıbaşı Dış Ticaret A.Ş.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

a) Balances with related parties at 31 March 2012 and 31 December 2011 (continued):

Short-term trade payables to related parties	**31 March 2012**	**31 December 2011**
Due to shareholders		
Eczacıbaşı Holding A.Ş.	15,379	13,841
	15,379	**13,841**
Due to Joint Ventures		
EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş.	19,128	10,055
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	1,102	1,025
Eczacıbaşı-Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş.	2	-
	20,232	**11,080**
Due to Associates		
Eczacıbaşı Sağlık Hizmetleri A.Ş.	172	2
Ekom Eczacıbaşı Dış Ticaret A.Ş.	1	10
	173	**12**
Due to other related parties		
İpek Kağıt Sanayi ve Ticaret A.Ş.	81,490	85,738
ESİ Eczacıbaşı Sigorta Acenteliği A.Ş.	1,878	95
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	811	956
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	142	146
Other	342	144
	84,663	**87,079**
	120,447	**112,012**
Deferred credit finance expenses (-)	-	(417)
Short-term due to related parties	**120,447**	**111,595**

Average maturity of the Group's payables to related parties is 91 days (31 December 2011: 106 days) and is amortised at 9.43% per annum (31 December 2011: 10.37%).

Long-term due to related parties	**31 March 2012**	**31 December 2011**
Due to shareholders		
Eczacıbaşı Holding A.Ş.	5,049	4,417
	5,049	**4,417**
Due to other related parties		
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	5	5
	5	**5**
Long-term due to related parties	**5,054**	**4,422**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

b) Transactions with related parties for three months period ended 31 March:

Product sales	**1 January - 31 March 2012**	**1 January - 31 March 2011**
Eczacıbaşı-Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş.	540	491
Ekom Eczacıbaşı Dış Ticaret A.Ş.	299	427
	839	**918**
Service sales		
Eczacıbaşı Holding A.Ş.	6,922	-
İpek Kağıt Sanayi ve Ticaret A.Ş.	3,144	4,403
EBC Eczacıbaşı Beiersdorf Kozmetik Ürünleri Sanayi ve Ticaret A.Ş.	1,914	1,386
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	678	274
Other	109	153
	12,767	**6,216**
Product purchases		
İpek Kağıt Sanayi ve Ticaret A.Ş.	77,762	54,728
EBC Eczacıbaşı Beiersdorf Kozmetik Ürünleri Sanayi ve Ticaret A.Ş.	21,731	12,101
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	2,873	1,815
Other	397	282
	102,763	**68,926**
Service purchases		
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	1,837	1,704
Eczacıbaşı Holding A.Ş.	460	372
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	317	237
Other	358	278
	2,972	**2,591**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

b) Transactions with related parties for three months period ended 31 March (continued):

Financial income	**1 January - 31 March 2012**	**1 January - 31 March 2011**
ESİ Eczacıbaşı Sigorta Acenteliği A.Ş.	11	-
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	9	-
	20	**-**

Financial expenses	**31 March 2012**	**31 March 2011**
İpek Kağıt Sanayi ve Ticaret A.Ş.	820	-
EBC Eczacıbaşı Beiersdorf Kozmetik Ürünleri Sanayi ve Ticaret A.Ş.	116	-
	936	**-**

c) Other transactions with related parties for three months period ended 31 March:

Management and royalty fees paid to related parties	**1 January - 31 March 2012**	**1 January - 31 March 2011**
Eczacıbaşı Holding A.Ş. (*)	5,369	3,910
	5,369	**3,910**

(*) Management fees paid to Eczacıbaşı Holding A.Ş. comprise law, financial corporate identity, budget planning, audit and human resource services received from Eczacıbaşı Holding A.Ş.

Rent income received from related parties	**1 January - 31 March 2012**	**1 January - 31 March 2011**
Eczacıbaşı Holding A.Ş.	754	676
Eczacıbaşı-Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş.	202	180
İpek Kağıt Sanayi ve Ticaret A.Ş.	201	180
İntema İnşaat ve Tesisat Mlz. Yatırım ve Pazarlama A.Ş.	19	18
Others	114	131
	1,290	**1,185**
Rent expenses paid to related parties		
Eczacıbaşı Holding A.Ş.	168	79
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	36	3
	204	**82**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOT 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

c) Other transactions with related parties for three months ended period 31 March (continued):

Other expenses paid to related parties	**1 January - 31 March 2012**	**1 January - 31 March 2011**
Eczacıbaşı Holding A.Ş.	27	38
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	17	32
Other	25	103
	69	**173**

Donations paid to related parties	**31 March 2012**	**31 March 2011**
Dr. Nejat F. Eczacıbaşı Vakfı	288	35
	288	**35**

The Group purchases computer hardware, computer by products and related consumable products from Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.; sanitary ware and related consumable products from İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş. and various raw materials, finished goods and merchandise from other group companies.

The Group renders services related to administration of Kanyon complex from Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.; IT consultancy services and technical services related to maintenance, operation, update, breakdown and system support from Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.; financial audit and consultancy, human resources, social affairs, finance, budget, corporate communication, legal, IT systems, communication, technical training etc. services from Eczacıbaşı Holding A.Ş.; advertisement services from Eczacıbaşı Spor Kulübü; custom clearance and brokerage services for export registered sales from Ekom Eczacıbaşı Dış Ticaret A.Ş. health services from Eczacıbaşı Sağlık Hizmetleri A.Ş.; and various other services from other group companies.

Within the context of real estate operations, the Group provide audit, follow-up and subcontractor management services to Eczacıbaşı Holding A.Ş. related to construction process of co-executed Ormanada Project as detailed in Note 29.

The Group generates rent income from offices located in Kanyon and real estates located in Ayazağa.

The Group performs the sale and distribution of medical, healthcare and consumer products of Eczacıbaşı Group. In this context Group makes merchandise purchase from İpek Kağıt Sanayi ve Ticaret A.Ş., EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş. and Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş. and generates revenue from the services related to storage, transportation and sale of those merchandises.

The Group does not have any contingent assets or liabilities caused by related party transactions as of 31 March 2012 and 31 December 2011.

NOT 26 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Benefits provided to top management:

The Group has determined key management personnel as board members, group presidents, vice-presidents and general manager.

Short term benefits provided to key management personnel consists of salaries, premiums, social insurance related payments, health insurance and seniority incentive award. Long term benefits provided to key management personnel consists of employee termination benefits paid to discharged key management personnel due to retirement and/or transfer and service award payments.

Detail of compensation amounts provided to key management personnel is as follows:

Key management personnel compensation	**2012**	**2011**
Short term benefits provided to key management personnel	6,754	6,579
Long term benefits provided to key management personnel	-	-
	6,754	**6,579**

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk and interest rate risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group also uses derivative financial instruments to hedge risk exposures, financial risk management is carried out by the Subsidiaries and Joint Ventures of the Group under policies approved by their own Boards of Directors.

a) Credit risk

The ownership of financial assets is exposed to the risk that the counterparty complies with contractual terms. These risks are managed by credit evaluation and distribution of the total risk of a single counterparty. Credit risk is distributed via the number of institutes that form the customer database and their different fields of business activities. The Group collects its receivables before their maturity with factoring practices, as may be required. This is an application parallel to irreversible risk management.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

a) Credit risk (continued)

Details of credit and receivable risk as of 31 March 2012 and 31 December 2011 are as follows:

	Trade receivables from		**Other receivables from**			
31 March 2012	**Related parties**	**Other**	**Related parties**	**Other**	**Deposit in banks**	**Other (*)**
Maximum credit risk exposed as of balance sheet date (**)	**1,059**	**250,471**	**-**	**845**	**704,270**	**4,550**
- Secured portion of the maximum credit risk by guarantees	***243***	***16,794***	***-***	***-***	***-***	***-***
A. Net book value of financial assets that are neither past due nor impaired	803	206,697	-	845	704,270	-
- Secured portion by guarantees, etc.	243	14,608	-	-	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
- Secured portion by guarantees, etc.	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (***)	256	43,774	-	-	-	4,550
- Secured portion by guarantees, etc.	-	2,186	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	8,550	-	-	-	-
- Impairment (-)	-	(8,550)	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-	-

(*) Item contains the financial assets measured at fair value and attributable to income statements.

(**) The area implies the sum of A, B, C, D and E, Amounts showing the maximum credit risk exposed as of balance sheet date by excluding guarantees in hand and other factors that increase the credit quality.

(***) As of 31 March 2012, the aging explanations related with past due but not impaired assets indicated in the aging table of "Past due but not impaired trade receivables".

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

a) Credit risk (continued)

	Trade receivables from		Other receivables from			
31 December 2011	**Related parties**	**Other**	**Related parties**	**Other**	**Deposit in banks**	**Other (*)**
Maximum credit risk exposed as of balance sheet date (**)	**601**	**207,196**	**-**	**871**	**761,866**	**5,376**
- Secured portion of the maximum credit risk by guarantees	***-***	***36,562***	***-***	***-***	***-***	***-***
A. Net book value of financial assets that are neither past due nor impaired	601	168,395	-	871	761,866	-
- Secured portion by guarantees, etc.,	-	33,211	-	-	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
- Secured portion by guarantees, etc.,	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (***)	-	38,739	-	-	-	5,376
- Secured portion by guarantees, etc.,	-	3,304	-	-	-	-
D. Net book value of the impaired assets	-	62	-	-	-	-
- Past due (gross carrying amount)	-	8,728	-	-	-	-
- Impairment (-)	-	(8,666)	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc.	-	47	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-	-

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(*) Item contains the financial assets measured at fair value and attributable to income statements.

(**) The area implies the sum of A, B, C, D and E, Amounts showing the maximum credit risk exposed as of balance sheet date by excluding guarantees in hand and other factors that increase the credit quality.

(***) As of 31 December 2011, the aging explanations related with past due but not impaired assets indicated in the aging table of "Past due but not impaired trade receivables".

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

a) Credit risk (continued)

Details of the past due but not impaired receivables for the years ended at 31 March 2012 and 31 December 2011 are as follows:

	Trade receivables from		
31 March 2012	**Related parties**	**Other**	**Deposits in banks**
Past due up to 30 days	256	11,545	-
Past due 1 - 3 months	-	26,748	-
Past due 3 - 12 months	-	5,405	-
Past due 1 - 5 year (*)	-	76	4,550
	256	**43,774**	**4,550**
Secured portion of receivables by guarantees, etc.,	**-**	**2,186**	**-**

	Trade receivables from		
31 December 2011	**Related parties**	**Other**	**Deposits in Banks**
Past due up to 30 days	-	15,236	-
Past due 1 - 3 months	-	16,177	-
Past due 3 - 12 months	-	5,813	-
Past due 1 - 5 year (*)	-	1,513	5,376
	-	**38,739**	**5,376**
Secured portion of receivables by guarantees, etc.,	**-**	**3,304**	**-**

(*) The most of past due 1 - 5 year receivables consist of the legal authorities and the Group does not expect any recoverability risk on receivables.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Liquidity risk

Liquidity risk management consists of the holding sufficient cash and cash equivalents, funding via loans and capability to close short positions. Additionally, the Group aims to maintain flexibility in funding by maintaining the availability of committed credit lines.

The analysis of the Group's financial liabilities with respect to their maturities as of 31 March is as follows:

	31 March 2012					
			Contractual terms			
Financial liabilities (non-derivative)	**Carrying value**	**Contractual cash outflows**	**Up to 3 months**	**3 - 12 months**	**1 - 5 years**	**More than 5 years**
Other financial liabilities	75,606	76,771	52,859	16,510	7,207	195
Trade payables due to related parties	125,333	125,333	94,730	20,504	10,099	-
Other trade payables	90,398	90,793	88,148	2,645	-	-
Other payables	1,344	1,344	1,344	-	-	-
Total non-derivative financial liabilities	**292,681**	**294,241**	**237,081**	**39,659**	**17,306**	**195**
Derivative financial liabilities						
Other financial liabilities	313	11,378	10,813	158	406	1

	31 December 2011					
			Contractual terms			
Financial liabilities (non-derivative)	**Carrying value**	**Contractual cash outflows**	**Up to 3 months**	**3 - 12 months**	**1 - 5 years**	**More than 5 years**
Other financial liabilities	62,935	63,313	37,678	13,035	12,317	283
Trade payables due to related parties	116,017	116,434	95,102	16,902	4,430	-
Other trade payables	94,767	95,251	92,349	2,902	-	-
Other payables	1,382	1,382	1,382	-	-	-
Total non-derivative financial liabilities	**275,101**	**276,380**	**226,511**	**32,839**	**16,747**	**283**
Derivative financial liabilities						
Other financial liabilities	1,387	20,028	7,711	12,317	-	-

c) Market risk

i) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets, these exposures are managed by offsetting interest rate sensitive assets and liabilities and using derivative instruments when considered necessary.

The Group is exposed to cash flow interest rate risk via borrowing credit with floating exchange rate. Additionally the Group is exposed to fair value interest rate risk via borrowing credit with fixed interest rate. The loans with floating exchange rate which are used by Group as of 31 March 2012 and 31 December 2011 consist of TRL, USD and EUR.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

c) Market risk (continued)

i) Cash flow and fair value interest rate risk (continued)

	31 March 2012	31 December 2011
Financial instruments with fixed interest rates:		
Financial assets		
- Cash and cash equivalents	704,270	761,866
- Fair value changes recognised in to profit and loss	426	33
Financial liabilities		
- Financial liabilities	53,438	19,125
Financial instruments with variable interest rates:		
Financial liabilities		
- Financial liabilities	22,168	21,390
- Factoring liabilities	-	22,420

At 31 March 2012, if interest rates at contractual re-pricing dates of EUR denominated financial liabilities with variable interest rates has strengthened/weakened by 100 basis points (1%) against TRL with all other variables held constant, profit before tax would have been TRL 43 thousand (31 March 2011: TRL 135 thousand) higher / lower as a result of interest expenses.

At 31 March 2012, if interest rates at contractual re-pricing dates of USD denominated financial liabilities with variable interest rates has strengthened/weakened by 100 basis points (1%) against TRL with all other variables held constant, profit before tax would have been TRL 12 thousand (31 March 2011: TRL 6 thousand) higher / lower as a result of interest expenses.

At 31 March 2012, if interest rates at contractual re-pricing dates of TRL denominated financial liabilities with variable interest rates has strengthened/weakened by 100 basis points (1%) against TRL with all other variables held constant, profit before tax would have been TRL 134 thousand (31 March 2011: TRL 102 thousand) higher / lower as a result of interest expenses.

ii) Foreign exchange risk

The Group is exposed to foreign exchange risk through conversion of liabilities to functional currency. The risks get under control via analysing foreign exchange positions.

The Group provides limited protection from foreign exchange risk by using derivative financial instruments to decrease exchange risk arise from balance sheet items, also to add value to foreign exchange investments of idle cash.

The Group is exposed to foreign exchange rate risk mainly for EUR and USD, in this context, the exchange risk analyse related with main foreign currencies as follows:

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

c) Market risk (continued)

ii) Foreign exchange risk (continued)

	31 March 2012			
	Profit / loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% change in USD against TRL:				
USD net asset / (liability)	23,457	(23,457)	23,457	(23,457)
Secured position (-)	(1,064)	1,064	(1,064)	1,064
USD net effect	**22,393**	**(22,393)**	**22,393**	**(22,393)**
In case of 10% change in EUR against TRL:				
EUR net asset / (liability)	21,658	(21,658)	21,658	(21,658)
Secured position (-)	-	-	-	-
EUR net effect	**21,658**	**(21,658)**	**21,658**	**(21,658)**
In case of 10% change in other foreign exchange rates against TRL:				
Other foreign currency net asset / (liability)	(5)	5	(5)	5
Secured position (-)	-	-	-	-
Other foreign currencies net effect	**(5)**	**5**	**(5)**	**5**
	44,046	**(44,046)**	**44,046**	**(44,046)**

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

c) Market risk (continued)

ii) Foreign exchange risk (continued)

	31 December 2011			
	Profit / loss		Equity	
	Appreciation of foreign Currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% change in USD against TRL:				
USD net asset / (liability)	25,103	(25,103)	25,103	(25,103)
Secured position (-)	(1,133)	1,133	(1,133)	1,133
USD net effect	**23,970**	**(23,970)**	**23,970**	**(23,970)**
In case of 10% change in EUR against TRL:				
EUR net asset / (liability)	21,847	(21,847)	21,847	(21,847)
Secured position (-)	(733)	733	(733)	733
EUR net effect	**21,114**	**(21,114)**	**21,114**	**(21,114)**
In case of 10% change in other foreign exchange rates against TRL:				
Other foreign currency net asset / (liability)	18	(18)	18	(18)
Secured position (-)	-	-	-	-
Other foreign currencies net effect	**18**	**(18)**	**18**	**(18)**
	45,102	**(45,102)**	**45,102**	**(45,102)**

TRL equivalents of assets and liabilities held by the Group denominated in foreign currency at 31 March 2012 and 31 December 2011 in consideration of foreign exchange rates are as follows:

	31 March 2012	31 December 2011
USD	1.7729	1.8889
EUR	2.3664	2.4438

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

c) Market risk (continued)

ii) Foreign exchange risk (continued)

The amounts of assets and liabilities denominated in original and foreign currencies and their TRL equivalents at 31 March 2012 were as follows:

	31 March 2012			
		Original amounts		
	Total TRL equivalent	USD	EUR	Others(*)
Current assets:				
Cash and cash equivalents	504,078	144,570	104,702	1
Financial investments	1,489	829	8	-
Trade receivables	13,525	6,314	985	-
	519,092	**151,713**	**105,695**	**1**
Non-current assets:				
Financial investments	3,061	1,727	-	-
Trade receivables	170	96	-	-
	3,231	**1,823**	**-**	**-**
Current liabilities:				
Financial liabilities	16,957	2,442	5,336	-
Trade payables	22,542	3,460	6,911	19
Other liabilities	938	524	4	-
Other current liabilities	20,070	11,318	2	-
	60,507	**17,744**	**12,253**	**19**
Non-current liabilities:				
Financial liabilities	5,211	375	1,921	-
Other non-current liabilities	5,511	3,108	-	-
	10,722	**3,483**	**1,921**	**-**
Net asset /(liability) position of off-balance sheet items (A-B)				
A. Total amount of hedged assets (**)	17,500	6,000	2,900	-
B. Total amount of hedged liabilities	6,863	-	2,900	-
Net foreign currency asset / (liability) position	**440,457**	**126,309**	**91,521**	**(18)**
Fair value of currency derivatives held for hedging	**-**	**-**	**-**	**-**
Net position of off-balance sheet contingent assets and liabilities				
Guarantees and pledges taken	32,979	13,371	3,918	-
Guarantees and pledges given	440	242	5	-
Exports	2,582	926	394	-
Imports	40,254	9,865	9,614	14

(*) The amounts are presented in TRL since the original balances are denominated in various other currencies.

(**) Company has 12 option contracts in order to hedge foreign exchange risk and 2 interest rate swaps to hedge interest rate risk as of 31 March 2012. The aforementioned option contracts are TRL and USD sell contracts with the amount of TRL 7,021 thousand and USD 6,000 thousand; and EUR sell contracts with the amount of EUR 2,900 thousand, their weighted average maturities are 87 days.

(Amounts expressed in thousands of Turkish lira ("TRL") unless otherwise indicated.)

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

c) Market risk (continued)

ii) Foreign exchange risk (continued)

The amounts of assets and liabilities denominated in original and foreign currencies and their TRL equivalents at 31 December 2011 were as follows:

	31 December 2011			
		Original amounts		
	Total TRL equivalent	USD	EUR	Others (*)
Current assets:				
Cash and cash equivalents	522,512	142,777	103,363	76
Financial investments	1,404	733	8	-
Trade receivables	10,558	4,227	1,053	-
Other trade receivables	65	14	12	3
	534,539	**147,751**	**104,436**	**79**
Non-current assets:				
Financial investments	3,972	2,103	-	-
Trade receivables	5,658	2,996	-	-
	9,630	**5,099**	**-**	**-**
Current liabilities:				
Financial liabilities	9,128	1,306	2,726	-
Trade payables	26,250	2,769	8,582	16
Other current liabilities	13,371	7,075	3	-
Other liabilities	993	523	2	-
	49,742	**11,673**	**11,313**	**16**
Non-current liabilities:				
Financial liabilities	12,263	1,673	3,725	-
Other non-current liabilities	12,480	6,604	2	-
	24,743	**8,277**	**3,727**	**-**
Net asset / (liability) position of off-balance sheet items (A-B)				
A. Total amount of hedged assets (**)	18,665	6,000	3,000	-
B. Total amount of hedged liabilities	-	-	-	-
Net foreign currency asset / (liability) position	**451,019**	**126,900**	**86,396**	**63**
Fair value of currency derivatives held for hedging (**)	**-**	**-**	**-**	**-**
Net position of off-balance sheet contingent assets and liabilities				
Guarantees and pledges taken	33,271	13,500	3,180	-
Guarantees and pledges given	151	74	5	-
Exports	8,389	2,942	1,494	-
Imports	191,090	42,830	46,120	12,211

(*) The amounts are presented in TRL since the original balances are denominated in various other currencies.

(**) Company has three option contracts in order to hedge foreign exchange risk as of 31 December 2011. The aforementioned option contracts are Euro sell contracts with the amount of EUR 3,000 thousand and USD sell contracts with the amount of USD 6,000 thousand, their weighted average maturities are 101 days.

NOTE 28 - SUBSEQUENT EVENTS

As a result of share purchases made by Eczacıbaşı Yatırım Holding Ortaklığı A.Ş. in 2012, the proportion of interest in the Company's ownership increased from 20.56% to 21.57% as of the reporting date.

NOT 29 - DISCLOSURE OF OTHER MATTERS, WITH MATERIAL EFFECT ON CONSOLIDATED FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS

In the Board of Directors meeting held on 28 September 2011, it has been decided to;

- Implement a real estate project under the name "Ormanada" on the land in the province of Istanbul and in the district of Sarıyer/Zekeriyaköy with 50% ownership the Group and 50% ownership of Eczacıbaşı Holding A.Ş.,
- Build real estates (homes) of "Ormanada" Project in two different phases and complete until the end of year 2013, in accordance with the agreement signed with and under the supervision of the Company's subsidiary, Eczacıbaşı Gayrimenkul Geliştirme ve Yatırım A.Ş., by tendering the construction through determination of contractors or subcontractors considering one of methods of collecting orders based on unit prices, general negotiation or jobwork,
- Complete necessary process for the sale of the real estates (homes) of "Ormanada" Project, which will be built on land plots with completed legal processes, in October of 2011,
- Sign necessary agreements with banks in the context of providing credit lines to customers up to 75% of the sales price of real estates (homes) of "Ormanada" Project,
- Guarantee repayment of TRL customer bank loans obtained for the real estates (homes) sold until the date of forming legal mortgage rights on behalf of banks and in this respect to sign necessary agreements between banks and the Company by representation of the two board members with first decree signature authorization.

The public has been informed about Ormanada Project, which has an investment amount of approximately USD 300 million and the size of houses varies between 170 and 700 square meters with sales price range from USD 500 thousand to USD 2.2 million, with press release and material event disclosure on Public Disclosure Platform on 18 October 2011. Ormanada Project has created in collaboration with international knowledge and experience of Torti Gallas and Partners, Kreatif Mimarlık and Rainer Schmidt Landscape Architects. The project has been initially designed as 188 villas and 71 side by side houses totalling to 259 residential units with 25 acres of greenbelt, which could be extended to 269 units as a result of the ongoing revisions. The Project will be completed in two different phases and first phase consists of 150 units and second phase, which's reconstruction process is still ongoing, will consist of 119 unit as of the date of this report. In the first phase, 49 units were sold and sales agreements were signed by sales connection for 26 units included in the second phase. Additionally, the subcontractor of the Ormanada Project's infrastructure works, which include construction of roads, electricity, water, sewer, natural gas, telephone, etc. except for construction of buildings) has been determined and has started its activities and continues construction process as planned.

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