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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF 30 JUNE 2011
TOGETHER WITH REVIEW REPORT
(ORIGINALLY ISSUED IN TURKISH)**

CONVENIENCE TRANSLATION OF THE REVIEW REPORT AND THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

REVIEW REPORT ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying condensed interim consolidated balance sheet of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (together "Group") as of 30 June 2011 and the related condensed interim consolidated statements of comprehensive income, condensed interim consolidated changes in equity and condensed interim consolidated cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. The Company's Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with financial reporting standards published by Capital Markets Board. Our responsibility is to express a conclusion on this interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with auditing standards published by Capital Markets Board. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards published by Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements do not present fairly, in all material respects, the financial position of the EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. and its subsidiaries as of 30 June 2011 and of its financial performance and its cash flows for the six-months interim period then ended in accordance with financial reporting standards issued by the Capital Markets Board.

Istanbul, 26 August 2011

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Sibel Türker, SMMM
Partner

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

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CONDENSED CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2011

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

	Notes	*Reviewed* 30 June 2011	*Audited* 31 December 2010
ASSETS			
Current assets			
Cash and cash equivalents	5	689,519	656,127
Financial investments	6	2,968	3,419
Trade receivables			
- Due from related parties	26	4,538	2,487
- Other trade receivables	8	244,480	190,609
Other receivables			
- Due from related parties	26	3,972	-
- Other receivables		793	746
Inventories	10	99,399	96,156
Other current assets	9	30,317	16,626
Total current assets		**1,075,986**	**966,170**
Non-current assets			
Trade receivables			
- Other trade receivables	8	6,421	3,234
Other receivables		69	75
Financial investments	6	1,273,920	1,275,898
Investments accounted for using equity method	11	25,103	25,349
Investment properties	12	200,500	203,193
Property, plant and equipment	13	72,859	72,021
Intangible assets	14	24,803	25,875
Goodwill		32,574	32,574
Deferred income tax assets	24	10,090	7,408
Other non-current assets	9	51,858	50,427
Total non-current assets		**1,698,197**	**1,696,054**
Total assets		**2,774,183**	**2,662,224**

The interim condensed consolidated financial statements for the six months period ended 30 June 2011 were approved by the Board of Directors on 26 August 2011 and signed on its behalf by Sedat Birol, General Manager and by Bülent Avcı, Financial Director.

CONDENSED CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2011

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

	Notes	*Reviewed* 30 June 2011	*Audited* 31 December 2010
LIABILITIES			
Current liabilities			
Financial liabilities			
- Other financial liabilities	7	38,624	34,668
Trade payables			
- Due to related parties	26	86,966	70,256
- Other trade payables	8	90,078	59,202
Other payable			
- Due to related parties	26	4,325	-
- Other payables	9	1,266	1,116
Current income tax liabilities	24	9,126	1,302
Provisions	15	1,194	738
Provisions for employee benefits	16	6,842	5,957
Other current liabilities	9	37,217	10,945
Total current liabilities		**275,638**	**184,184**
Non-current liabilities			
Financial liabilities			
- Other financial liabilities	7	13,074	10,451
Provisions for employee benefits	16	8,842	7,293
Deferred income tax liabilities	24	59,406	59,952
Other non-current liabilities	9	17,518	13,033
Total non-current liabilities		**98,840**	**90,729**
EQUITY			
Share capital	17	548,208	548,208
Adjustments to share capital	17	105,777	105,777
Financial assets fair value reserve		1,068,581	1,069,322
Restricted reserves	17	248,754	245,415
Cumulative translation reserve		1,199	(1,894)
Retained earnings		359,778	341,322
Net profit for the year		53,345	60,380
Attributable to equity holders of the Company		**2,385,642**	**2,368,530**
Non-controlling interests		**14,063**	**18,781**
Total equity		**2,399,705**	**2,387,311**
Total liabilities and equity		**2,774,183**	**2,662,224**

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 30 JUNE 2011

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

	Notes	***Reviewed*** **1 January - 30 June 2011**	***Not Reviewed*** **1 April - 30 June 2011**	***Reviewed*** **1 January - 30 June 2010**	***Not Reviewed*** **1 April - 30 June 2010**
Net sales	18	498,109	258,285	472,285	257,769
Cost of sales (-)	18	(355,775)	(184,551)	(334,297)	(180,969)
Gross profit		**142,334**	**73,734**	**137,988**	**76,800**
Marketing, selling and distribution expenses (-)	19	(75,400)	(41,721)	(66,010)	(36,116)
General administrative expenses (-)	19	(51,428)	(25,678)	(43,832)	(22,359)
Research and development expenses (-)		(3)	(2)	(7)	(4)
Other operating income	21	8,212	6,031	16,547	3,136
Other operating expenses (-)	21	(12,963)	(10,944)	(5,987)	(4,826)
Operating profit		**10,752**	**1,420**	**38,699**	**16,631**
Share of profit / (loss) of associates	11	(4,524)	(2,593)	7,210	4,516
Financial income	22	86,613	54,084	54,678	31,101
Financial expenses (-)	23	(25,321)	(13,368)	(50,267)	(26,785)
Profit before tax		**67,520**	**39,543**	**50,320**	**25,463**
Current income tax charge	24	(17,003)	(9,759)	(8,811)	(3,502)
Deferred income tax benefit	24	3,158	2,146	765	909
Net profit for the period		**53,675**	**31,930**	**42,274**	**22,870**
Attributable to					
- Non-controlling interests		330	132	1,717	2,065
- Equity holders of the parent	25	53,345	31,798	40,557	20,805
Net profit for the period		**53,675**	**31,930**	**42,274**	**22,870**
Weighted average number of ordinary shares with face value of Kr 1 each		54,820,800,000	54,820,800,000	54,820,800,000	54,820,800,000
Basic and diluted earnings per share (Kr)	**25**	**0.10**	**0.06**	**0.07**	**0.04**

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 COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

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

	Notes	*Reviewed* 1 January - 30 June 2011	*Not Reviewed* 1 April - 30 June 2011	*Reviewed* 1 January - 30 June 2010	*Not Reviewed* 1 April - 30 June 2010
Net profit for the period		**53,675**	**31,930**	**42,274**	**22,870**
Other comprehensive income / (expense)					
Changes in financial assets' fair value reserve		(1,374)	(1,132)	(301)	(734)
Changes in currency translation differences		3,093	1,965	(3,742)	(2,518)
Group's share in the associates' comprehensive income		(69)	(69)	87	58
Tax income / (expense) of other comprehensive income items	24	70	58	15	36
Other comprehensive income / (expense) (after tax)		**1,720**	**822**	**(3,941)**	**(3,158)**
Total comprehensive income		**55,395**	**32,752**	**38,333**	**19,712**
Attributable to					
- Non-controlling interests		(302)	(470)	1,591	1,739
- Equity holders of the parent		55,697	33,222	36,742	17,973
Total comprehensive income		**55,395**	**32,752**	**38,333**	**19,712**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2011

(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)	-	-	-
Transfers to restricted reserves	-	-	-	3,339	-	(3,339)	-	-	-	-
Dividends paid	-	-	-	-	-	(38,375)	-	**(38,375)**	(4,433)	**(42,808)**
Effect of rate change in investment in associates (Note 11)	-	-	-	-	-	(210)	-	**(210)**	17	**(193)**
Total comprehensive income	-	-	(741)	-	3,093	-	53,345	**55,697**	(302)	**55,395**
30 June 2011	**548,208**	**105,777**	**1,068,581**	**248,754**	**1,199**	**359,778**	**53,345**	**2,385,642**	**14,063**	**2,399,705**
1 January 2010	**548,208**	**105,777**	**892,146**	**25,571**	**(40)**	**309,292**	**290,249**	**2,171,203**	**19,022**	**2,190,225**
Transfers	-	-	-	219,844	-	70,405	(290,249)	-	-	-
Dividends paid	-	-	-	-	-	(38,375)	-	**(38,375)**	(3,091)	**(41,466)**
Total comprehensive income	-	-	(73)	-	(3,742)	-	40,557	**36,742**	1,591	**38,333**
30 June 2010	**548,208**	**105,777**	**892,073**	**245,415**	**(3,782)**	**341,322**	**40,557**	**2,169,570**	**17,522**	**2,187,092**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2011

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

	Notes	*Reviewed* 1 January - 30 June 2011	*Reviewed* 1 January - 30 June 2010
Cash flows from operating activities:			
Profit before tax		67,520	50,320
Adjustments:			
Depreciation and amortisation	12, 13, 14	10,473	9,656
Provision for employment termination benefits and actuarial loss	16, 19	2,064	265
Provision for unused vacation	16, 19	1,075	843
Provision for doubtful receivables	8, 19	292	381
Loss / (gain) on sale of property, plant and equipment and intangible assets, net	21	(282)	3
Provision for diminution in value of inventories, net	10, 21	3,382	3,154
Group's share in the associates' loss / (profits), net	11	4,524	(7,210)
Interest and credit finance income, net	22, 23	(22,431)	(15,828)
Portfolio value decreases	23	975	552
Provision for litigations	15	548	50
Dividend income	22	(3,970)	-
Unrealised foreign exchange loss / (income)		(41,836)	15,456
Expense accruals	9	312	1,839
Licence transfer accruals	21	-	870
Changes in working capital:			
Trade receivables		(59,864)	(32,629)
Due from and due to related parties, net		14,566	(19,451)
Inventories		(6,625)	(8,039)
Trade payables		30,169	6,333
Other current assets and liabilities, net		12,280	(1,983)
Other non-current assets and liabilities, net		3,060	1,234
Effect of unrealized FX gain/losses on other working capital		-	(231)
Net cash (used in) / provided from operations		**16,232**	**5,585**
Taxes paid		(9,179)	(9,674)
Employment termination benefits paid	16	(515)	(356)
Unused vacation payments	16	(190)	(73)
Collections of doubtful receivables	8, 21	2,516	694
Net cash (used in) / provided from operating activities		**8,864**	**(3,824)**
Investing activities:			
Purchases of property, plant and equipment and intangible assets	12, 13, 14	(8,643)	(10,149)
Proceeds from sale of property, plant and equipment and intangible assets		1,379	563
Capital advance payments to associates		(814)	-
Changes in financial assets		80	(37)
Net cash used in investing activities		**(7,998)**	**(9,623)**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2011

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

	Notes	Reviewed 1 January - 30 June 2011	Reviewed 1 January - 30 June 2010
Financing activities:			
Repayment of bank borrowings		6,579	(3,712)
Interest and credit finance charges paid		(2,734)	(4,582)
Interest received		25,782	20,153
Dividends paid		(38,375)	(38,375)
Net cash used in financing activities		**(8,748)**	**(26,516)**
Net decrease in cash and cash equivalents		**(7,882)**	**(39,963)**
Cash and cash equivalents at the beginning of the period	5	653,895	679,232
Exchange gains on cash and cash equivalents		41,891	(15,456)
Cash and cash equivalents at the end of the period	**5**	**687,904**	**623,813**

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

(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 30 June 2011, 29.33% of total shares are quoted on the ISE (31 December 2010: 29.33%).The ultimate parent company of the Group is Eczacıbaşı Holding A.Ş., which possesses 50.62% (31 December 2010: 50.62%, Note 17) shares of the Company as of 30 June 2010.

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
Girişim Pazarlama Tüketim Ürünleri Sanayi ve Ticaret A.Ş. ("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.

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

Preparing financial statements in accordance with IFRS requires taking important decisions by management during setting Group accounting policies, significant assumptions and estimates used during the preparation of consolidated financial statements are presented accordingly.

a) New and revised IFRSs affecting presentation and disclosures

Amendments to IAS 1, Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)

The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendments have been applied retrospectively.

b) New and revised IFRSs affecting the reported financial performance and / or financial position

None.

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 valid from 2011 with no material effect on the consolidated financial statements

IAS 24 (Revised 2009), "Related Party Disclosures"

In November 2009, IAS 24 Related Party Disclosures was revised. The revision to the standard provides government related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011.

IAS 32 (Amendments), "Financial Instruments: Presentation" and IAS 1, "Presentation of Financial Statements"

The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

IFRS 1 (amendments), "First-time Adoption of IFRS - Additional Exemptions"

Amendments to IFRS 1 which are effective for annual periods on or after 1 July 2010 provide limited exemption for first time adopters to present comparative IFRS 7 fair value disclosures.

IFRIC 14 (Amendments), "Pre-payment of a Minimum Funding Requirement"

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made.

IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments"

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability.

Annual Improvements, May 2010

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRSs in May 2010 that cover 6 main standards/interpretations as follow: IFRS 1, "First-time Adoption of International Financial Reporting Standards", IFRS 3, "Business Combinations," IFRS 7, "Financial Instruments: Disclosures", IAS 27, "Consolidated and Separate Financial Statements", IAS 34, "Interim Financial Reporting" and IFRIC 13, "Customer Loyalty Programmes". With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011. Early adoption of these amendments is allowed.

The adoption of these amendments to the standards, revised standards and interpretations has not materially affected the Group's financial position and financial position.

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

IFRS 1 (amendments), "First-time Adoption of IFRS - Additional Exemptions"

On 20 December 2010, IFRS 1 is amended to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs and to provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time.

The amendment above will be effective for annual periods beginning on or after 1 July 2011. These amendments are not relevant to the Group, as it is an existing IFRS preparer.

IFRS 7, "Financial Instruments: Disclosures"

In October 2010, IFRS 7, "Financial Instruments: Disclosures" is amended by IASB as part of its comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment will be effective for annual periods beginning on or after 1 July 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 9, "Financial Instruments: Classification and Measurement"

In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39, "Financial Instruments: Recognition and Measurement". The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not had an opportunity to consider the potential impact of the adoption of this standard.

IAS 12, "Income Taxes"

In December 2010, IAS 12 is amended, 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 , be through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 10, "Consolidated Financial Statements"

IFRS 10 replaces the consolidation guidance in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities" by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities).

Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

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, " Joint Arrangements"

IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 12, "Disclosure of Interest In Other Entities"

IFRS 12 requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 27, " Separate Financial Statements (2011)"

The requirements relating to separate financial statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

IAS 28, " Investments in Associates and Joint Ventures (2011)"

IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

IFRS 13, "Fair Value Measurements"

On 12 May 2011, IASB issued IFRS 13 Fair Value Measurement, which establishes a single source of guidance for fair value measurement under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements for disclosures on fair value measurements. The Standard does not include requirements on when fair value measurements is required; it prescribes how fair value is to be measured if another Standard requires it. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

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)

IAS 1, "Presentation of Financial Statements (2011) - Presentation of Items of Other Comprehensive Income"

The amendments to IAS 1 provide guidance on the presentation of items contained in other comprehensive income (OCI) and their classification within OCI. The new standard is mandatory for annual periods beginning on or after 1 July 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 19, "Employee Benefits (2011)" (the amendments)

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

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 30 June 2011 are consistent with accounting policies presented in the consolidated financial statements as 31 December 2010.

Condensed consolidated interim financial statements should be considered together with consolidated financial statements as of 31 December 2010.

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 30 June 2011 is comparatively presented with balance sheet as of 31 December 2010 and the consolidated statements of income, comprehensive income, cash flows and changes in equity for the interim period ended 30 June 2011 are comparatively presented with the consolidated statements of income, comprehensive income, cash flows and changes in equity for the interim period ended 30 June 2011.

Where necessary, comparative figures have been reclassified to conform to the presentation of the current year consolidated financial statements. In the current year foreign exchange gains and losses arisen from the identical currencies of each class of accounts are netted-off and presented in accordance with IAS 1, Presentation of Financial Statements. In this context, foreign exchange gains and losses amounting to TRL 204,058 thousand are netted-off in consolidated financial statements for the interim period ended 30 June 2010.

(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:	**30 June 2011**	**31 December 2010**
Current assets	144,875	121,331
Non-current assets	79,389	78,248
Total assets	**224,264**	**199,579**
Current liabilities	57,214	40,189
Non-current liabilities	21,961	20,068
Equity	145,089	139,322
Total liabilities and equity	**224,264**	**199,579**

Statement of Income:	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Net sales	155,787	83,857	136,382	73,579
Cost of sales (-)	(89,257)	(47,077)	(72,116)	(38,663)
Gross profit	**66,530**	**36,780**	**64,266**	**34,916**
Operating expenses (-)	(54,915)	(30,213)	(47,934)	(25,806)
Operating profit	**11,615**	**6,567**	**16,332**	**9,110**
Financial income, net	271	188	544	16
Profit before tax	**11,886**	**6,755**	**16,876**	**9,126**
Taxes (-)	(2,581)	(1,422)	(3,880)	(2,125)
Net profit for the period	**9,305**	**5,333**	**12,996**	**7,001**

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 30 June 2011:

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 2010. 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 30 June 2011 and 31 December 2010:

	30 June 2011		**31 December 2010**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Health	301,577	(103,570)	275,795	(75,063)
Personal care	192,167	(155,176)	157,482	(122,525)
Real estate development	285,601	(50,143)	264,874	(16,899)
Undistributed	1,994,853	(65,604)	1,964,085	(60,438)
Inter-segment elimination	(15)	15	(12)	12
Total	**2,774,183**	**(374,478)**	**2,662,224**	**(274,913)**

(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 30 June:

1 January - 30 June 2011	**Health**	**Personal care**	**Real estate development**	**Undistributed**	**Inter-segment elimination**	**Total**
Capital expenditures (Notes 12, 13 and 14)	5,653	2,433	557	-	-	**8,643**
Non-cash expenses:						
- Depreciation and amortisation (Notes 12, 13 and 14)	5,916	1,516	3,041	-	-	**10,473**
- Provision for diminution in value of inventories (Note 10)	536	203	2,643	-	-	**3,382**
- Provision for employment termination benefits and actuarial loss (Note 16)	1,450	588	26	-	-	**2,064**
- Provision for unused vacation (Note 16)	403	600	72	-	-	**1,075**
- Provision for litigations (Note 15)	548	-	-	-	-	**548**
- Provision for doubtful receivables (Note 19)	292	-	-	-	-	**292**
- Expense accruals (Note 9)	279	33	-	-	-	**312**
	9,424	**2,940**	**5,782**	**-**	**-**	**18,146**
1 January - 30 June 2010						
Capital expenditures (Not 12, 13 and 14)	8,866	1,116	167	-	-	**10,149**
Non-cash expenses:						
- Depreciation and amortisation (Notes 12, 13 and 14)	5,448	1,407	2,801	-	-	**9,656**
- Provision for diminution in value of inventories (Note 10)	2,813	341	-	-	-	**3,154**
- Expense accruals (Note 9)	2,699	10	-	-	-	**2,709**
- Provision for unused vacation (Note 16)	345	485	13	-	-	**843**
- Provision for doubtful receivables (Note 19)	205	176	-	-	-	**381**
- Provision for employment termination benefits and actuarial loss (Note 16)	224	41	-	-	-	**265**
- Provision for litigations (Note 15)	33	17	-	-	-	**50**
	11,767	**2,477**	**2,814**	**-**	**-**	**17,058**

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

NOTE 4 - SEGMENT REPORTING (Continued)

Segment results for the interim periods ended 30 June:

1 January - 30 June 2011	Health	Personal care	Real estate development	Undistributed	Inter-segment elimination	Total
Total sales	176,314	349,518	24,613	42	-	**550,487**
Elimination of sales within the Group	(2,266)	(46,669)	(3,420)	-	(23)	**(52,378)**
Sales to third parties	174,048	302,849	21,193	42	(23)	**498,109**
Cost of sales (-)	(105,587)	(244,118)	(6,091)	-	21	**(355,775)**
Gross profit	**68,461**	**58,731**	**15,102**	**42**	**(2)**	**142,334**
Marketing, sales and distribution expenses (-)	(41,538)	(29,879)	(3,899)	(84)	-	**(75,400)**
General administrative expenses (-)	(32,722)	(15,472)	(274)	(2,993)	33	**(51,428)**
Research and development expenses (-)	(3)	-	-	-	-	**(3)**
Other operating income	4,751	1,713	1,740	41	(33)	**8,212**
Other operating expenses (-)	(5,905)	(5,292)	(1,626)	(140)	-	**(12,963)**
Operating profit / (loss)	**(6,956)**	**9,801**	**11,043**	**(3,134)**	**(2)**	**10,752**
1 April - 30 June 2011						
Total sales	85,994	195,522	13,590	38	-	**295,144**
Elimination of sales within the Group	(1,280)	(32,778)	(2,788)	-	(13)	**(36,859)**
Sales to third parties	84,714	162,744	10,802	38	(13)	**258,285**
Cost of sales (-)	(53,525)	(129,072)	(1,965)	-	11	**(184,551)**
Gross profit	**31,189**	**33,672**	**8,837**	**38**	**(2)**	**73,734**
Marketing, sales and distribution expenses (-)	(24,161)	(15,384)	(2,132)	(44)	-	**(41,721)**
General administrative expenses (-)	(16,019)	(7,446)	(192)	(2,054)	33	**(25,678)**
Research and development expenses (-)	(2)	-	-	-	-	**(2)**
Other operating income	3,651	658	1,740	15	(33)	**6,031**
Other operating expenses (-)	(4,470)	(4,713)	(1,626)	(135)	-	**(10,944)**
Operating profit / (loss)	**(9,812)**	**6,787**	**6,627**	**(2,180)**	**(2)**	**1,420**

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

NOTE 4 - SEGMENT REPORTING (Continued)

Segment results for the interim periods ended 30 June (continued):

1 January - 30 June 2010	**Health**	**Personal care**	**Real estate development**	**Undistributed**	**Inter-segment elimination**	**Total**
Total sales	200,013	300,976	22,487	-	-	**523,476**
Elimination of sales within the Group	(17,376)	(33,592)	(69)	-	(154)	**(51,191)**
Sales to third parties	182,637	267,384	22,418	-	(154)	**472,285**
Cost of sales (-)	(108,837)	(216,480)	(9,017)	-	37	**(334,297)**
Gross profit	**73,800**	**50,904**	**13,401**	**-**	**(117)**	**137,988**
Marketing, sales and distribution expenses (-)	(34,764)	(26,730)	(3,922)	(621)	27	**(66,010)**
General administrative expenses (-)	(29,054)	(10,334)	(248)	(4,315)	119	**(43,832)**
Research and development expenses (-)	(7)	-	-	-	-	**(7)**
Other operating income	15,722	577	129	119	-	**16,547**
Other operating expenses (-)	(4,040)	(861)	(17)	(1,069)	-	**(5,987)**
Operating profit / (loss)	**21,657**	**13,556**	**9,343**	**(5,886)**	**29**	**38,699**
1 April - 30 June 2010						
Total sales	109,716	186,564	12,445	-	-	**308,725**
Elimination of sales within the Group	(17,370)	(33,592)	160	-	(154)	**(50,956)**
Sales to third parties	92,346	152,972	12,605	-	(154)	**257,769**
Cost of sales (-)	(53,900)	(121,785)	(5,300)	-	16	**(180,969)**
Gross profit	**38,446**	**31,187**	**7,305**	**-**	**(138)**	**76,800**
Marketing, sales and distribution expenses (-)	(19,068)	(14,996)	(2,024)	(51)	23	**(36,116)**
General administrative expenses (-)	(14,112)	(5,215)	(92)	(2,829)	(111)	**(22,359)**
Research and development expenses (-)	(4)	-	-	-	-	**(4)**
Other operating income	2,481	443	129	24	59	**3,136**
Other operating expenses (-)	(3,574)	(342)	(13)	(861)	(36)	**(4,826)**
Operating profit / (loss)	**4,169**	**11,077**	**5,305**	**(3,717)**	**(203)**	**16,631**

(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:

	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Operating profits related to operating segments	13,888	3,602	44,555	20,550
Undistributed expenses (-)	(3,134)	(2,180)	(5,886)	(3,717)
Inter-segment elimination	(2)	(2)	30	(202)
Profit / (loss) shares from associates	(4,524)	(2,593)	7,210	4,516
Financial income	86,613	54,084	54,678	31,101
Financial expenses (-)	(25,321)	(13,368)	(50,267)	(26,785)
Profit before tax	**67,520**	**39,543**	**50,320**	**25,463**

NOTE 5 - CASH AND CASH EQUIVALENTS

	30 June 2011	31 December 2010
Cash in hand	89	76
Banks	689,036	656,018
- demand deposits	5,725	7,847
- time deposits	683,311	648,171
Other liquid assets	394	33
	689,519	**656,127**

Maturities of time deposits are as follows:

Less than 1 month	599,463	642,558
1 to 3 months	89,573	13,460
	689,036	**656,018**

Interest rates for TRL denominated time deposits vary between 6.50% and 11.55% (31 December 2010: 6.50% - 9.40%), whereas interest rates for foreign currency denominated time deposits vary between 1.00% and 5.30% (31 December 2010: 0.60%- 3.65%). The weighted average interest rates per annum for TRL, USD and EUR denominated time deposits are 9.57%, 5.05% and 4.98%, respectively (31 December 2010: 8.62%, 3.27% and 3.20%).

Cash and cash equivalents included in the consolidated statements of cash flows as of 30 June 2011 are presented below:

	30 June 2011	31 December 2010	30 June 2010	31 December 2009
Cash and cash equivalents	689,519	656,127	626,165	678,245
Financial assets (Note 6)	-	-	-	4,066
Interest accruals (-)	(1,615)	(2,232)	(2,352)	(3,079)
	687,904	**653,895**	**623,813**	**679,232**

(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 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011	31 December 2010
Financial assets at fair value through profit and loss	2,968	3,419
Financial investments, current	**2,968**	**3,419**
Financial assets available-for-sale	1,271,783	1,273,157
Financial assets at fair value through profit and loss	2,137	2,741
Financial investments, non-current	**1,273,920**	**1,275,898**

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:

30 June 2011	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	-	2,968	-	2,968
Financial investments, current	**-**	**2,968**	**-**	**2,968**
Financial assets available-for-sale	126,677	225,918	919,188	1,271,783
Financial assets at fair value through profit and loss	-	2,137	-	2,137
Financial investments, non-current	**126,677**	**228,055**	**919,188**	**1,273,920**

31 December 2010	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	-	3,419	-	3,419
Financial investments, current	**-**	**3,419**	**-**	**3,419**
Financial assets available-for-sale	128,051	225,918	919,188	1,273,157
Financial assets at fair value through profit and loss	-	2,741	-	2,741
Financial investments, non-current	**128,051**	**228,659**	**919,188**	**1,275,898**

(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 2,968 thousand (31 December 2010: TRL 3,419 thousand) in one year period from balance sheet date, remaining balance of TRL 2,137 thousand (31 December 2010: TRL 2,741 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 30 June 2011 and 31 December 2010 is as follows:

Listed:	**30 June 2011**	**%**	**31 December 2010**	**%**
Eczacıbaşı Yatırım Ortaklığı A.Ş. (*)	1,890	15	3,213	15
İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş. (*)	535	2	579	2
Türkiye İş Bankası A.Ş. (*)	33	<1	39	<1
Ak Enerji Elektrik Üretim A.Ş. (*) (**)	<1	<1	<1	<1
Eczacıbaşı Yapı Gereçleri San. ve Tic. A.Ş. (*) (**)	<1	<1	<1	<1
	2,458		**3,832**	
Not listed:				
Eczacıbaşı Holding A.Ş. (***)	1,268,859	37	1,268,859	37
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş. (***)	287	14	287	14
Eczacıbaşı Menkul Değerler A.Ş. (***)	166	1	166	1
Other (***)	13		13	
	1,269,325		**1,269,325**	
Total	**1,271,783**		**1,273,157**	

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

(**) As of 30 June 2011, the market prices of Ak Enerji Elektrik Üretim A.Ş. and Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş. are TRL 377 thousand and TRL 501 thousand respectively (31 December 2010: TRL 363 thousand and TRL 465 thousand).

(***) 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 2010, has not been updated for interim period.

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

NOTE 7 - FINANCIAL LIABILITIES

	30 June 2011			31 December 2010		
	Effective interest rate per annum (%) (**)	**Original amount**	**TRL**	**Effective interest rate per annum (%) (**)**	**Original amount**	**TRL**
TRL denominated bank borrowings	7.50 - 9.61	15,022	15,022	7.50 - 9.61	7,058	7,058
EUR denominated bank borrowings	Euribor + 1.75 - 2.50	831	1,952	Euribor + 1.75 - 2.50	1,179	2,416
USD denominated bank borrowings	Libor + 1.75 - 2.00	474	773	Libor + 1.75 - 2.00	229	355
Short-term bank borrowings			**17,747**			**9,829**
Factoring liabilities (*)		20,877	20,877		24,785	24,785
Short-term financial lease liabilities		-	-		54	54
Total short-term financial liabilities			**38,624**			**34,668**
EUR denominated bank borrowings	Euribor + 2.50	4,636	10,892	Euribor + 2.50	4,918	10,077
USD denominated bank borrowings	Libor + 2.00	1,305	2,128	Libor + 2.00	173	267
TRL denominated bank borrowings	8.50 - 9.61	54	54	-	107	107
Long-term bank borrowings			**13,074**			**10,451**

(*) As at 30 June 2011, the Group has endorsed some of its receivables to a factoring company amounting to TRL 20,877 thousand (31 December 2010: TRL 24,785 thousand), These endorsed receivables are included both in trade receivables (Note 8) and financial liabilities.

(**) Annual weighted interest rates of TRL, EUR and USD denominated short-term bank borrowings are 9.43%, 6.37% and 6.38% respectively (31 December 2010: 9.04%, 3.62% and 1.81%). Annual weighted interest rates of EUR and USD denominated long-term bank borrowings are 4.81% and 3.47% respectively (31 December 2010: 3.67% and 1.81%).

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Redemption schedule of long-term bank borrowings at 30 June 2011 and 31 December 2010 are presented below:

Year	30 June 2011	31 December 2010
Between 1 - 2 years	4,315	2,480
Between 2 - 3 years	3,475	2,752
Between 3 - 4 years	2,400	1,997
Between 4 - 5 years	1,544	1,372
5 years and thereafter	1,340	1,850
Total	**13,074**	**10,451**

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

	30 June 2011	31 December 2010
6 months and less	51,698	45,065
Total	**51,698**	**45,065**

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:	30 June 2011	31 December 2010
Trade receivables	193,840	162,793
Notes receivables	57,370	35,936
	251,210	**198,729**
Deferred credit finance income (-)	(1,629)	(588)
Provision for doubtful receivables (-)	(5,101)	(7,532)
Short-term trade receivables, net	**244,480**	**190,609**

Average maturity of the Group's receivables is 76 days (31 December 2010: 65 days) and TRL denominated trade receivables are amortised at 7.68% per annum (31 December 2010: 6.10%).

As of 30 June 2011, trade receivables include receivables endorsed to a factoring company amounting to TRL 20,877 thousand (31 December 2010: TRL 24,785 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. Movement of provision for doubtful receivables is presented below:

	2011	2010
As of 1 January	7,532	6,037
Current year additions (Note 19)	292	381
Collections (Note 21)	(2,516)	(614)
Reversal of provisions (-)	(207)	-
As of 30 June	**5,101**	**5,804**

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

a) Trade receivables (continued):

As of 30 June 2011, long-term trade receivables amounting to TRL 6,421 thousand (31 December 2010: TRL 3,234 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.

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

b) Trade payables:

Short-term trade payables	**30 June 2011**	**31 December 2010**
Trade payables	90,892	59,524
Deferred credit finance expenses (-)	(814)	(322)
Short-term trade payables, net	**90,078**	**59,202**

Average maturity of the Group’s payables is 77 days (31 December 2010: 61 days) and TRL denominated trade payables are amortised at 7.89% per annum (31 December 2010: 6.11%). EUR denominated trade payables are amortised at 1.42% per annum (31 December 2010: 0.82%) and USD denominated payables are amortised at 0.23% per annum (31 December 2010: 0.28%).

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

Other current assets	**30 June 2011**	**31 December 2010**
Advances given	12,558	259
VAT receivables	8,401	13,137
Prepaid expenses	5,760	1,219
Prepaid taxes and withholding taxes	978	1,405
Income accruals	892	579
Receivables from personnel	853	15
Business advances	67	-
Other	808	12
	30,317	**16,626**

Other non-current assets	**30 June 2011**	**31 December 2010**
VAT receivables	49,628	46,333
Advances given for purchase of property, plant and equipment	-	3,372
Prepaid expenses	-	350
Expenses for future years	418	-
Other	1,812	372
	51,858	**50,427**

Short-term other liabilities	**30 June 2011**	**31 December 2010**
Deposits and collaterals received	1,000	909
Other	266	207
	1,266	**1,116**

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

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

Other current liabilities	**30 June 2011**	**31 December 2010**
Deposits and collaterals given	28,145	-
Taxes payable	5,334	7,464
VAT payable	2,482	-
Due to personnel	632	836
Expense accruals	312	1,198
Unearned revenue	201	715
Advance on payments from customer	-	254
Other	111	478
	37,217	**10,945**

As of 30 June 2011, other non-current liabilities amounting to TRL 17,356 thousand (31 December 2010: TRL 13,033 thousand) 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.

NOTE 10 - INVENTORIES

	30 June 2011	**31 December 2010**
Raw materials and supplies	12,424	12,180
Work in progress	1,091	2,206
Finished goods	10,161	10,439
Merchandise	20,080	15,977
Scrap goods	2,199	5,629
Other inventories	1,945	1,310
Goods in transit	7,530	6,732
Land	54,104	48,505
	109,534	**102,978**
Provision for diminution in value of inventories (-)	(10,135)	(6,822)
	99,399	**96,156**

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 17,067 thousand (31 December 2010: TRL 11,468 thousand).

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

	2011	**2010**
As of 1 January	(6,822)	(6,932)
Charge for the period (Note 21)	(3,382)	(3,154)
Reversals (-)	-	347
Inventories destroyed	69	2,122
As of 30 June	**(10,135)**	**(7,617)**

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

NOTE 11 - INVESTMENTS IN ASSOCIATES

Associates	30 June 2011	31 December 2010
Vitra Karo	12,531	13,107
Ekom	12,086	11,838
ESH	486	404
	25,103	**25,349**

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

	2011	2010
As of 1 January	25,349	24,429
Effect of rate change in investment in associates	(210)	-
The Group's share in associates' profit / (loss)	(4,524)	7,210
Capital contribution to associates	814	-
Change in revaluation fund of tangible and intangible assets	(88)	-
Change in the fair value of available-for-sale financial assets	19	87
Increases / (decreases) due to currency translation differences	3,743	(3,511)
As of 30 June	**25,103**	**28,215**

The Group's share in the assets, liabilities as of 30 June 2011 and 31 December 2010, net sales of the associates for the periods ended 30 June are presented below:

	30 June 2011				
Associates	**Assets**	**Liabilities**	**Net sales**	**Net profit / (loss) for the year**	**Total proportion of ownership interest (%)**
Ekom	865,335	819,484	356,998	229	26,36
Vitra Karo	660,296	610,164	321,750	(4,231)	25,00
ESH	5,046	4,099	8,497	(522)	51,35
				(4,524)	

	31 December 2010		30 June 2010		
Associates	**Assets**	**Liabilities**	**Net sales**	**Net profit / (loss) for the year**	**Total proportion of ownership interest (%)**
Ekom	706,028	661,108	251,464	17	26,36
Vitra Karo	516,207	463,780	279,344	7,747	25,00
ESH	4,373	3,513	6,641	(554)	46,46
				7,210	

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

NOTE 12 - INVESTMENT PROPERTIES

Cost	1 January 2011	Additions	Disposals	30 June 2011
Kanyon (*)	224,091	75	-	224,166
Buildings	7,208	436	-	7,644
Lands and land improvements	523	27	(320)	230
	231,822	**538**	**(320)**	**232,040**
Accumulated depreciation				
Kanyon	22,828	2,752	-	25,580
Buildings	5,674	206	-	5,880
Lands and land improvements	127	2	(49)	80
	28,629	**2,960**	**(49)**	**31,540**
Carrying amount	**203,193**			**200,500**

Cost	1 January 2010	Additions	Disposals	30 June 2010
Kanyon	223,975	16	-	223,991
Buildings	6,471	88	-	6,559
Lands and land improvements	498	-	-	498
	230,944	**104**	**-**	**231,048**
Accumulated depreciation				
Kanyon	17,333	2,745	-	20,079
Buildings	5,610	33	-	5,642
Lands and land improvements	125	-	-	125
	23,068	**2,778**	**-**	**25,846**
Carrying amount	**207,876**			**205,202**

(*) As of 31 December 2010, fair value of Kanyon is approximately TRL 420 million, which is calculated from net present value of estimated rent income of Kanyon shopping centre 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 2010, has not been updated for interim period.

The current year depreciation expenses 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 2011	Additions	Disposals	Transfers	30 June 2011
Land and land improvements	5,445	60	-	-	5,505
Buildings	25,795	108	(51)	-	25,852
Machinery, plant and equipment	89,727	809	(571)	-	89,965
Motor vehicles	3,000	158	(925)	-	2,233
Furniture and fixtures	25,863	1,158	(165)	-	26,856
Construction in progress	5,694	3,697	(4)	-	9,387
Leasehold improvements	13,823	103	(540)	-	13,386
Other tangible assets	5,108	175	(201)	-	5,082
	174,455	**6,268**	**(2,457)**	**-**	**178,266**
Accumulated depreciation					
Land improvements	141	8	-	-	149
Buildings	6,542	327	(51)	-	6,818
Machinery, plant and equipment	59,742	2,805	(297)	-	62,250
Motor vehicles	2,292	126	(897)	-	1,521
Furniture and fixtures	19,662	794	(110)	-	20,346
Leasehold improvements	9,713	564	(416)	-	9,861
Other tangible assets	4,342	300	(180)	-	4,462
	102,434	**4,924**	**(1,951)**	**-**	**105,407**
Carrying amount	**72,021**				**72,859**

Allocation of depreciation expenses is as follows: TRL 1,880 thousand in cost of goods sold, TRL 1,459 thousand in marketing, sales and distribution expenses and TRL 1,585 thousand in general and administrative expenses.

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost	1 January 2010	Additions	Disposals	Transfers	30 June 2010
Land and land improvements	5,420	-	-	-	5,420
Buildings	23,138	59	-	-	23,197
Machinery, plant and equipment	86,397	1,852	(649)	177	87,777
Motor vehicles	6,915	196	(485)	-	6,626
Furniture and fixtures	26,919	630	(293)	-	27,256
Construction in progress	2,892	4,737	-	(197)	7,432
Leasehold improvements	14,158	50	(125)	20	14,103
Other tangible assets	4,990	171	(81)	-	5,080
	170,829	**7,695**	**(1,633)**	**-**	**176,891**
Accumulated depreciation					
Land improvements	125	7	-	-	132
Buildings	6,062	234	-	-	6,296
Machinery, plant and equipment	55,314	2,787	(466)	-	57,635
Motor vehicles	6,533	99	(262)	-	6,370
Furniture and fixtures	21,064	836	(219)	-	21,681
Leasehold improvements	9,396	537	(110)	-	9,823
Other tangible assets	4,284	161	(74)	-	4,371
	102,778	**4,661**	**(1,131)**	**-**	**106,308**
Carrying amount	**68,051**				**70,583**

Allocation of depreciation expenses is as follows: TRL 2,264 thousand in cost of goods sold, TRL 1,081 thousand in marketing, sales and distribution expenses and TRL 1,316 thousand in general and administrative 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 30 June 2011 is TRL 969 thousand (30 June 2010: TRL 1,441 thousand) and historical amounts and accumulated depreciation amounts are as follows:

	30 June 2011		
	Cost	Accumulated depreciation	Carrying amount
Machinery, plant and equipment	7,542	(6,573)	969
Motor vehicles	288	(288)	-
Furniture and fixtures	151	(151)	-
	7,981	**(7,012)**	**969**

	30 June 2010		
	Cost	Accumulated depreciation	Carrying amount
Machinery, plant and equipment	7,483	(6,042)	1,441
Motor vehicles	288	(288)	-
Furniture and fixtures	151	(151)	-
	7,922	**(6,481)**	**1,441**

As of 30 June 2011 and 30 June 2010, 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 2011	Additions	Disposals	Transfers	30 June 2011
Customer relations, licences and royalty	20,901	-	-	18	20,919
Rights	4,575	466	-	21	5,062
Computer software	13,239	126	(5)	794	14,154
Construction in progress	3,581	862	(295)	(833)	3,315
Other intangible assets	4,302	383	(55)	-	4,630
	46,598	**1,837**	**(355)**	**-**	**48,080**
Accumulated amortisation					
Customer relations, licences and royalty	6,118	964	-	-	7,082
Rights	2,272	438	-	-	2,710
Computer software	9,656	780	(3)	-	10,433
Construction in progress	-	83	-	-	83
Other intangible assets	2,677	324	(32)	-	2,969
	20,723	**2,589**	**(35)**	**-**	**23,277**
Carrying amount	**25,875**				**24,803**

Allocation of amortisation charge is as follows: TRL 988 thousand in cost of goods sold, TRL 767 thousand in marketing, sales and distribution expenses and TRL 834 thousand in general and administrative expense.

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

NOTE 14 - INTANGIBLE ASSETS (Continued)

Cost	1 January 2010	Additions	Disposals	Transfers	30 June 2010
Customer relations, licences and royalty	20,844	-	-	32	20,876
Rights	4,137	90	(6)	196	4,417
Computer software	14,447	797	(4)	69	15,309
Construction in progress	2,489	1,408	(54)	(297)	3,546
Other intangible assets	4,157	55	-	-	4,212
	46,074	**2,350**	**(64)**	**-**	**48,360**
Accumulated amortisation					
Customer relations, licences and royalty	3,956	1,079	-	-	5,035
Rights	3,016	138	-	-	3,154
Computer software	10,585	897	-	-	11,482
Other intangible assets	2,562	103	-	-	2,665
	20,119	**2,217**	**-**	**-**	**22,336**
Carrying amount	**25,955**				**26,024**

Allocation of amortisation charge is as follows: TRL 1,076 thousand in cost of goods sold, TRL 626 thousand in general and administrative expenses and TRL 515 thousand in marketing, sales and distribution expenses.

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

NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions:

	30 June 2011	31 December 2010
Provision for litigations	1,194	738
	1,194	**738**

Provision for litigations:

The Group has provided provision for the lawsuits filed against the Group in the amount of TRL 1,194 thousand (31 December 2010: TRL 738 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:

	2011	2010
As of 1 January	738	885
Charge for the period	548	50
Reversal of provision (-)	(92)	(383)
As of 30 June	**1,194**	**552**

b) Contingent assets:

Appeal for return of tax penalty paid:

The Competition Authority decided to conduct an inquiry regarding the Training Hospitals bidding for the eight companies, including EİP. 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 of 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 addressed to Company regarding 2002.

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 related to this lawsuit. After the Group's response to the petition of the defendant was sent to the Council of State, the application of the Tax Administration was denied, approving the decision of the Tax Court. 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 of the Company regarding 2003.

As of 24 June 2009, the Company filed a lawsuit in the Tax Court of Istanbul, since no settlement was reached in the Commission for Tax Reconciliations of the Ministry of Finance and all lawsuits are concluded in favour of the Company.

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 7,256 thousand regarding the corporate income tax and its associated withholding tax and TRL 10,914 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 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.

The Boğaziçi Corporate Tax Administration appealed the case at Council of State, the Company corresponded to the petition and sent to Council of State and appeal is in progress.

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.

The Company is in the process of evaluation to apply to the Commission for Tax Reconciliations of the Ministry of Finance, to file a lawsuit as made for the similar cases in prior years, which concluded in favour of the Company, or to benefit amnesty in accordance with the Law Article 6211 and the evaluation will be concluded in the legal time frame, The Company has not provided a provision for this inspection in the consolidated financial statements, since the lawsuit on the same subject concluded in favour of the Company.

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. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability has been made in the consolidated financial statements.

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

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

d) Guarantees given and taken:

	30 June 2011			
Guarantees given	**USD**	**EUR**	**TRL**	**Total**
Suretyship declaration for bank borrowings	-	-	2,500	**2,500**
Letters of guarantee	139	-	13,841	**13,980**
Guaranteed bills of exchange	1	-	-	**1**
	140	**-**	**16,341**	**16,481**
Guarantees taken				
Letters of guarantee	5,262	45	51,786	**57,093**
Mortgages	-	-	26,682	**26,682**
Cheques	-	-	5,015	**5,015**
Guaranteed bills of exchange	-	345	7,558	**7,903**
	5,262	**390**	**91,041**	**96,693**

	31 December 2010			
Guarantees given	**USD**	**EUR**	**TRL**	**Total**
Suretyship declaration for bank borrowings	-	-	2,500	**2,500**
Letters of guarantee	216	191	13,424	**13,831**
Guaranteed bills of exchange	2	23	-	**25**
	218	**214**	**15,924**	**16,356**
Guarantees taken	**USD**	**EUR**	**TRL**	**Total**
Letters of guarantee	12,193	579	45,559	**58,331**
Mortgages	-	-	24,797	**24,797**
Cheques	-	-	4,452	**4,452**
Guaranteed bills of exchange	227	-	5,662	**5,889**
	12,420	**579**	**80,470**	**93,469**

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 950 thousand (31 December 2010: TRL 917 thousand) were received from the subcontractors involved in the construction of Kanyon.

(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 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011	31 December 2010
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 30 June 2011 is 0% (31 December 2010: 0%).

NOTE 16 - EMPLOYEE BENEFITS

	30 June 2011	31 December 2010
Provision for employment termination benefits	8,842	7,293
Provision for unused vacations	6,842	5,957
	15,684	**13,250**

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 30 June 2011, the amount payable consists of one month's salary limited to a maximum of TRL 2,623.23 (31 December 2010: TRL 2,517.01) 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:

	2011	**2010**
Discount rate (%)	4.66	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 2,731.85 effective from 1 July 2011 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 30 June:

	2011	**2010**
As of 1 January	7,293	4,394
Charge for the period (Note 19)	2,064	265
Payments during the period (-)	(515)	(356)
As of 30 June	**8,842**	**4,303**

Provision for unused vacations:

Movements in the provision for unused vacation are as follows as of 30 June:

	2011	**2010**
As of 1 January	5,957	5,904
Charge for the period (Note 19)	1,075	843
Payments during the period (-)	(190)	(73)
As of 30 June	**6,842**	**6,674**

(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 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011	31 December 2010
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 30 June 2011 and 31 December 2010, 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	%	30 June 2011	%	31 December 2010
Eczacıbaşı Holding A.Ş.	50.62	277,476	50.62	277,476
Eczacıbaşı Yatırım Holding Ortaklığı A.Ş.	20.05	109,905	20.05	109,905
Other (listed) (*)	29.33	160,827	29.33	160,827
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 2010 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 30 September 2010, became effective as of 1 October 2010 by the Central Registry Agency ("CRA"), According to the report published by CRA on 30 June 2011, 29.10% (31 December 2010: 28.65%) 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 2010: TRL 25,647 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:

	30 June 2011	31 December 2010
Legal reserves	28,986	25,647
Special reserves	219,768	219,768
	248,754	**245,415**

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

NOTE 18 - OPERATING REVENUE AND COST OF GOODS SALES

	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Domestic sales	751,224	392,176	649,980	344,354
Exports	10,930	9,320	3,358	2,192
Gross sales	**762,154**	**401,496**	**653,338**	**346,546**
Sales returns (-)	(8,825)	(3,573)	(5,266)	(3,406)
Sales discounts (-)	(255,193)	(139,611)	(175,787)	(85,371)
Other discounts	(27)	(27)	-	-
Net sales	**498,109**	**258,285**	**472,285**	**257,769**
Cost of sales (-)	(355,775)	(184,551)	(334,297)	(180,969)
Gross profit	**142,334**	**73,734**	**137,988**	**76,800**

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

Marketing, selling and distribution expenses	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Personnel expenses	25,005	11,444	22,208	10,667
Advertisement, presentation and promotion expenses	17,400	8,748	22,198	12,642
Transportation, distribution and warehousing expenses	9,726	5,720	6,900	3,578
Rent expenses	3,203	1,557	2,117	994
Depreciation and amortisation expenses (Notes 13 and 14)	2,226	1,422	1,596	519
Representation and hosting expenses	2,688	2,286	1,267	1,022
Consultancy expenses	413	15	1,088	522
Travelling expenses	1,201	684	887	358
Fuel, energy and water expenses	1,431	1,138	555	11
Provision expense for doubtful receivables (Note 8 and 26.a)	292	187	381	269
Other	11,815	8,520	6,813	5,534
	75,400	**41,721**	**66,010**	**36,116**

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

NOTE 19 - MARKETING, SELLING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

General and administrative expenses	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Personnel expenses	20,895	9,648	18,523	9,368
Royalty expenses	10,713	5,370	9,664	5,020
Consultancy expenses	6,659	3,263	6,290	3,494
Depreciation and amortisation expenses (Notes 13 and 14)	2,419	1,652	1,942	1,149
Rent expenses	2,253	1,505	1,529	795
Miscellaneous taxes	1,436	1,315	1,290	1,162
Provision for unused vacation (Note 16)	1,075	382	843	213
Repair and maintenance expenses	1,075	477	684	398
Technical service expenses	228	134	603	224
Provision for employment termination benefits (Note 16)	2,064	695	265	37
Other	2,611	1,237	2,199	499
	51,428	**25,678**	**43,832**	**22,359**

NOTE 20 - EXPENSES BY NATURE

	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Purchase of raw materials and merchandises	318,165	185,411	288,612	154,917
Personnel expenses	59,436	27,443	51,750	29,265
Advertisement and promotion expense (Note 19)	17,400	8,735	20,032	10,476
Royalty expense (Note 19)	10,713	5,370	9,664	5,020
Depreciation and amortisation expense (Notes 12, 13, and 14)	10,473	5,568	9,656	4,963
Changes in commercial inventories	2,710	(7,058)	7,209	4,922
Cost of services	13,616	7,926	6,765	2,816
Transportation, distribution and warehousing expenses (Note 19)	9,726	5,709	5,381	2,059
Consultancy expense (Note 19)	9,016	5,186	5,307	1,945
Rent expense (Note 19)	5,456	2,870	4,266	2,409
Other	25,895	4,793	35,504	20,656
	482,606	**251,953**	**444,146**	**239,448**

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

NOTE 21 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Incomes from related parties	3,524	3,524	-	-
Compensation income (*)	45	30	12,593	85
Reversal of provisions	700	16	2,122	1,925
Collections from doubtful receivables (Not 8 and 26.a)	2,516	2,420	694	588
Revenue from reversal of allowance for impairment on inventory	-	(421)	347	347
Gain from sales of fixed assets	351	303	136	136
Commission expense	144	144	-	-
Other	932	15	655	55
	8,212	**6,031**	**16,547**	**3,136**

(*) EIP received a compensation amounting to TRL 12,508 thousand from the licensee of the medical product distributed by EIP due to change in the nature of the supply chain agreement.

Other operating expenses	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Expense to related parties	3,059	3,059	-	-
Provision expense for diminution in value of inventories (Note 10)	3,382	2,144	3,154	2,700
Licence transfer expense	-	-	870	870
Inventories destroyed	4,437	4,411	787	597
Commission expense	352	352	-	-
Compensation expense	453	170	153	7
Loss on sales of fixed assets	69	25	139	109
Others	1,211	783	884	543
	12,963	**10,944**	**5,987**	**4,826**

NOTE 22 - FINANCIAL INCOME

	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Foreign exchange gains	57,409	34,482	33,048	19,820
Interest income from bank deposits	21,181	12,350	15,792	8,296
Credit finance income	3,984	3,249	3,634	792
Forward income	69	33	1,345	1,339
Dividend income	3,970	3,970	-	-
Other	-	-	859	854
	86,613	**54,084**	**54,678**	**31,101**

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

NOTE 23 - FINANCIAL EXPENSES

	1 January - 30 June 2011	1 April - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2010
Foreign exchange losses	20,561	9,822	43,328	22,462
Credit finance expenses	2,541	2,227	2,287	714
Forward expenses	-	(42)	1,918	1,744
Interest expense from bank borrowings	193	123	1,311	737
Fair value changes recognised in profit and loss	975	517	557	395
Letter of guarantee commissions	152	152	-	-
Other	899	569	866	733
	25,321	**13,368**	**50,267**	**26,785**

NOTE 24 - TAX ASSETS AND LIABILITIES

a) Current income tax on profits:

	30 June 2011	31 December 2010
Corporate and income taxes payable	17,003	16,216
Prepaid taxes (-)	(7,877)	(14,914)
Current income tax liabilities (net)	**9,126**	**1,302**

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 2010 (2009: 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 17th 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 2010 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 30 June 2011 and 2010 are summarized below:

	1 January - 30 June 2011	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Current year tax expense	(17,003)	(9,759)	(8,811)	(3,502)
Deferred tax income / (expense)	3,158	2,146	765	909
Total tax expenses (-)	**(13,845)**	**(7,613)**	**(8,046)**	**(2,593)**

The reconciliation as of 30 June 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:

	30 June 2011	**30 June 2010**
Profit before tax	**67,520**	**50,320**
Tax amount calculated by considering current tax rate	(13,504)	(10,064)
Disallowable expenses	(253)	(230)
Tax effect of exempt income	809	29
Items disregarded in the calculation of deferred income tax	(961)	1,936
Current period tax losses	64	283
Total income tax charge (-)	**(13,845)**	**(8,046)**

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

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

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 2010: 20%).

The breakdown of cumulative temporary differences and the resulting deferred income tax assets and liabilities provided at 30 June 2011 and 31 December 2010 using the enacted tax rates is as follows:

	Cumulative temporary differences		Deferred income tax assets / (liabilities)	
	30 June 2011	**31 December 2010**	**30 June 2011**	**31 December 2010**
Provision for unused vacation	(7,273)	(5,957)	1,455	1,191
Provision for employment termination benefits	(8,288)	(7,148)	1,658	1,430
Provision for doubtful receivables	(2,969)	(4,355)	594	871
Sales cut-off	(857)	(274)	172	55
Differences between the tax base and carrying amount of inventories	(11,564)	(8,378)	2,313	1,676
Deferred credit finance income	(4,108)	(980)	822	196
Provision for litigations	(1,142)	(338)	228	68
Tax losses carried forward	(8,768)	(158)	1,724	32
Accruals for salaries and premiums	-	(319)	-	64
Other	-	(1,523)	-	302
Deferred income tax assets (**)	**(44,969)**	**(29,430)**	**8,966**	**5,885**
Fair value differences of available-for-sale financial assets (*)	1,113,149	1,114,523	(55,656)	(55,726)
Difference between the tax base and carrying amount of investment property, property, plant and equipment and intangible assets	11,689	13,935	(1,950)	(2,582)
Deferred credit finance expenses	3,121	605	(624)	(121)
Other	260	-	(52)	-
Deferred income tax liabilities (-) (**)	**1,128,219**	**1,129,063**	**(58,282)**	**(58,429)**
Deferred income tax liabilities, net	**1,086,021**	**1,099,633**	**(49,316)**	**(52,544)**

(*) Difference between fair value and book value amounts to TRL 1,113,149 thousand (31 December 2010: TRL 1,114,523 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 59,406 thousand (31 December 2010: TRL 59,952 thousand) and deferred tax liability amounting to TRL 10,090 thousand (31 December 2010: TRL 7,408 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 106 thousand (31 December 2010: TRL 238 thousand) and deferred income tax assets have not been recognised on these deductible temporary differences as of 30 June 2011.

(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 30 June 2011 and 30 June 2010 are as follows:

	2011	**2010**
As of 1 January	(52,544)	(44,465)
Current year deferred income tax benefit	3,158	765
Deferred income tax liability accounted under equity resulting from increase in value of available-for-sale financial assets	70	15
As of 30 June	**(49,316)**	**(43,685)**

NOTE 25 - EARNINGS PER SHARE

	1 January - 30 June 2011	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Net income attributable to equity holders of the company	53,345	31,798	40,557	20,805
Weighted average number of ordinary shares with face value of Kr 1 each	54,820,800,000	54,820,800,000	54,820,800,000	54,820,800,000
Basic and diluted earnings per share (Kr)	**0.10**	**0.06**	**0.07**	**0.04**

During the period, dividends amounting to TRL 38,375 thousand were distributed over 2010 profits (In 2010, dividend amounting to TRL 38,375 thousand were distributed over 2009 profits). For both dividend distributions, dividend paid per share is TRL 0.07.

(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 30 June 2011 and 31 December 2010:

Short-term trade receivables from related parties	30 June 2011	31 December 2010
Due from shareholders		
Eczacıbaşı Holding A.Ş.	1,720	1,540
	1,720	**1,540**
Due from Joint Ventures		
Eczacıbaşı-Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş.	1,381	309
Eczacıbaşı-Monrol Nükleer Ürünler Sanayi ve Ticaret A.Ş.	12	30
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	1	-
EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş.	1	-
	1,395	**339**
Due from Associates		
Ekom Eczacıbaşı Dış Ticaret A.Ş.	685	448
Eczacıbaşı Sağlık Hizmetleri A.Ş.	52	1
Vitra Karo Sanayi ve Ticaret A.Ş.	2	38
	739	**487**
Due from other related parties		
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	799	132
ESİ Eczacıbaşı Sigorta Acenteliği A.Ş.	43	-
İpek Kağıt Sanayi ve Ticaret A.Ş.	-	71
Other	49	116
	891	**319**
	4,745	**2,685**
Provision for doubtful receivables (-) (*)	(207)	(198)
Short-term due from related parties	**4,538**	**2,487**

Average maturity of the Group's receivables from related parties is 34 days (31 December 2010: 32 days) and is amortised at 7.79% per annum (31 December 2010: 6.13%).

(*) Provisions for doubtful receivables are wholly related to the receivables from exports performed via Ekom EczacıbaşıDış Ticaret A.Ş.

Short-term other receivables from related parties		
Dividend receivables		
Eczacıbaşı Holding A.Ş.	3,972	-
	3,972	**-**

(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 30 June 2011 and 31 December 2010 (continued):

Short-term trade payables to related parties	30 June 2011	31 December 2010
Due to shareholders		
Eczacıbaşı Holding A.Ş.	4,667	4,567
	4,667	**4,567**
Due to Joint Ventures		
EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş.	17,742	9,726
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	1,288	1,225
Eczacıbaşı-Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş.	854	-
	19,884	**10,951**
Due to Associates		
Eczacıbaşı Sağlık Hizmetleri A.Ş.	11	7
Ekom Eczacıbaşı Dış Ticaret A.Ş.	3	10
	14	**17**
Due to other related parties		
İpek Kağıt Sanayi ve Ticaret A.Ş.	60,170	53,719
ESİ Eczacıbaşı Sigorta Acenteliği A.Ş.	1,585	111
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	545	357
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	94	18
Other	7	739
	62,401	**54,944**
	86,966	**70,479**
Deferred credit finance expenses (-)	-	(223)
Short-term due to related parties	**86,966**	**70,256**

Average maturity of the Group's payables to related parties is 75 days (31 December 2010: 63 days) and is amortised at 7.89% per annum (31 December 2010: 6.11%).

Short-term other payables to related parties		
Dividend payables		
Eczacıbaşı Holding A.Ş.	3,749	-
Other	576	-
	4,325	-

(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 six months period ended 30 June 2011:

Product sales	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Ekom Eczacıbaşı Dış Ticaret A.Ş.	1,076	649	1,386	816
Eczacıbaşı-Baxter Hastane Ürünleri San. ve Tic. A.Ş.	1,038	547	302	62
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	2,237	2,237	-	-
Other	17	17	1	1
	4,368	**3,450**	**1,689**	**879**

Service sales	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
İpek Kağıt Sanayi ve Ticaret A.Ş.	8,675	4,272	7,681	3,912
EBC Eczacıbaşı Beiersdorf Kozmetik Ürünleri Sanayi ve Ticaret A.Ş.	2,992	1,606	2,699	1,473
Eczacıbaşı Holding A.Ş.	3,348	3,348	1,047	588
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	274	-	391	150
Other	391	238	130	123
	15,680	**9,855**	**11,948**	**6,246**

Product purchases	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
İpek Kağıt Sanayi ve Ticaret A.Ş.	115,462	60,734	89,792	31,414
EBC Eczacıbaşı Beiersdorf Kozmetik Ürünleri Sanayi ve Ticaret A.Ş.	36,678	24,577	25,676	11,680
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	6,024	4,209	3,084	1,069
Other	778	496	377	208
	158,942	**90,016**	**118,929**	**44,371**

Service purchases	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	4,128	2,424	3,959	2,110
Eczacıbaşı Spor Kulübü	82	42	1,278	429
Eczacıbaşı Holding A.Ş.	902	530	633	454
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	991	754	486	486
Ekom Eczacıbaşı Dış Ticaret A.Ş.	3	3	7	7
Other	215	23	305	151
	6,321	**3,776**	**6,668**	**3,637**

Financial income	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Eczacıbaşı Holding A.Ş.				
Dividend income	3,970	3,970	-	-
Foreign currency loss	-	-	1,282	634
Other	1	1	81	81
	3,971	**3,971**	**1,363**	**715**

(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 six months period ended 30 June 2011 (continued):

Financial expenses	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Eczacıbaşı Holding A.Ş.				
Foreign Currency Loss	3	3	362	255
Interest Expense / (Income)	-	-	252	110
Ekom Eczacıbaşı Dış Ticaret A.Ş.				
Foreign Currency Loss	-	-	18	-
İpek Kağıt Sanayi ve Ticaret A.Ş.	439	439	-	-
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Paz. A.Ş.	20	20	-	-
EBC Eczacıbaşı Beiersdorf Kozmetik Ürn. San. ve Tic. A.Ş.	135	135	-	-
	597	**597**	**632**	**365**

c) Other transactions with related parties for six months period ended 30 June 2011:

Management and royalty fees paid to related parties	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Eczacıbaşı Holding A.Ş. (*)	9,867	5,957	8,625	4,453
	9,867	**5,957**	**8,625**	**4,453**

(*) 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. charges the management fees for the related companies based on the time allocated for each of the services provided.

Rent income received from related parties	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Eczacıbaşı Holding A.Ş.	1,351	675	1,254	627
Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş.	-	-	502	251
Eczacıbaşı-Baxter Hastane Ürünleri San. ve Tic. A.Ş.	359	179	348	175
İpek Kağıt Sanayi ve Ticaret A.Ş.	360	180	334	167
İntema İnşaat ve Tesisat Mlz. Yatırım ve Paz. A.Ş.	36	18	275	138
Other	220	89	209	74
	2,326	**1,141**	**2,922**	**1,432**

Rent expenses paid to related parties	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Eczacıbaşı Holding A.Ş.	620	541	709	357
Ekom Eczacıbaşı Dış Ticaret A.Ş.	-	-	22	11
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	104	101	1	1
	724	**642**	**732**	**369**

(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 six months ended period 30 June 2011 (continued):

Other incomes taken from related parties	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Eczacıbaşı Holding A.Ş.	1,592	1,592	1	1
Other	38	38	12	12
	1,630	**1,630**	**13**	**13**

Other expenses paid to related parties	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Eczacıbaşı Holding A.Ş.	186	148	609	297
Ekom Eczacıbaşı Dış Ticaret A.Ş.	6	6	94	94
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	73	41	42	15
İpek Kağıt Sanayi ve Ticaret A.Ş.	66	66	-	-
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	97	97	-	-
Other	123	20	34	6
	551	**378**	**779**	**412**

Donations paid to related parties	**1 January - 30 June 2011**	**1 April - 30 June 2011**	**1 January - 30 June 2010**	**1 April - 30 June 2010**
Dr. Nejat F. Eczacıbaşı Vakfı	35	-	7	4
	35	**-**	**7**	**4**

Benefits provided to top management:

Total benefits provided to key management personnel for three months period ended 30 June 2011 amounted to TRL 10,345 thousand (30 June 2010: TRL 9,475 thousand).

The Group does not have any contingent assets or liabilities caused by related party transactions as of 30 June 2011 and 31 December 2010.

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 30 June 2011 and 31 December 2010 are as follows:

	Trade receivables from		**Other receivables from**			
30 June 2011	**Related parties**	**Other**	**Related parties**	**Other**	**Deposit in banks**	**Other (*)**
Maximum credit risk exposed as of balance sheet date (**)	**4,538**	**250,901**	**3,972**	**862**	**689,036**	**5,105**
- Secured portion of the maximum credit risk by guarantees	-	(34,799)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	3,052	219,298	3,972	862	689,036	-
- Secured portion by guarantees, etc,	-	(33,286)	-	-	-	-
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 (***)	1,486	31,603	-	-	-	5,105
- Secured portion by guarantees, etc,	-	(1,513)	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	207	5,101	-	-	-	-
- Impairment (-)	(207)	(5,101)	-	-	-	-
- 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 30 June 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)

31 December 2010	Trade receivables from Related parties	Trade receivables from Other	Other receivables from Related parties	Other receivables from Other	Deposit in banks	Other (*)
Maximum credit risk exposed as of balance sheet date (**)	**2,487**	**193,843**	**-**	**821**	**656,018**	**6,160**
- Secured portion of the maximum credit risk by guarantees	-	(32,607)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,430	142,393	-	821	656,018	-
- Secured portion by guarantees, etc,	-	(28,973)	-	-	-	-
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 (***)	1,057	51,450	-	-	-	6,160
- Secured portion by guarantees, etc,	-	(3,584)	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	198	7,520	-	-	-	-
- Impairment (-)	(198)	(7,520)	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc	-	50	-	-	-	-
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 December 2010, 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 30 June 2011 and 31 December 2010 are as follows:

	Trade receivables from		
30 June 2011	**Related parties**	**Other**	**Deposits in banks**
Past due up to 30 days	710	4,686	-
Past due 1 - 3 months	316	18,356	-
Past due 3 - 12 months	310	8,358	-
Past due 1 - 5 year (*)	150	203	5,105
	1,486	**31,603**	**5,105**
Secured portion of receivables by guarantees, etc,	**-**	**1,513**	**-**

	Trade receivables from		
31 December 2010	**Related parties**	**Other**	**Deposits in Banks**
Past due up to 30 days	684	43,799	-
Past due 1 - 3 months	166	3,707	-
Past due 3 - 12 months	207	2,167	-
Past due 1 - 5 year (*)	-	1,777	6,160
	1,057	**51,450**	**6,160**
Secured portion of receivables by guarantees, etc,	**-**	**3,584**	**-**

(*) 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 30 June 2011 is as follows:

	30 June 2011					
			Contractual terms			
Non-derivative financial liabilities	**Carrying value**	**Contractual cash outflows**	**Up to 3 months**	**3 - 12 months**	**1 - 5 years**	**More than 5 years**
Other financial liabilities	51,698	54,622	24,363	15,023	13,394	1,742
Trade payables due to related parties	91,291	91,291	89,099	2,192	-	-
Other trade payables	90,078	90,892	76,259	14,633	-	-
Other payables	1,266	1,266	1,072	194	-	-
Total non-derivative financial liabilities	**234,333**	**238,071**	**190,793**	**32,042**	**13,394**	**1,742**

	31 December 2010					
			Contractual terms			
Non-derivative financial liabilities	**Carrying Value**	**Contractual cash outflows**	**Up to 3 months**	**3 - 12 months**	**1 - 5 years**	**More than 5 years**
Other financial liabilities	45,119	46,186	25,772	9,183	10,728	503
Trade payables due to related parties	70,256	70,479	68,411	2,068	-	-
Other trade payables	59,202	59,530	58,498	26	494	-
Other payables	1,116	1,116	1,100	16	-	-
Total non-derivative financial liabilities	**175,693**	**177,311**	**154,781**	**11,293**	**11,222**	**503**

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 30 June 2011 and 31 December 2010 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)

	30 June 2011	31 December 2010
Financial instruments with fixed interest rates:		
Financial assets		
- Cash and cash equivalents	681,696	645,939
- Fair value changes recognised in to profit and loss	15	18
Financial liabilities		
- Financial liabilities	15,076	7,166
Financial instruments with variable interest rates:		
Financial liabilities		
- Financial liabilities	15,745	13,169
- Factoring liabilities	20,877	24,785

At 30 June 2011, 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 128 thousand (30 June2010: TRL 87 thousand) higher / lower as a result of interest expenses.

At 30 June 2011, 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 29 thousand (30 June 2010: TRL 32 thousand) higher / lower as a result of interest expenses.

At 30 June 2011, 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 151 thousand (30 June 2010: TRL 40 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)

	30 June 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)	22,562	(22,562)	22,562	(22,562)
Secured position (-)	-	-	-	-
USD net effect	**22,562**	**(22,562)**	**22,562**	**(22,562)**
In case of 10% change in EUR against TRL:				
EUR net asset / (liability)	22,858	(22,858)	22,858	(22,858)
Secured position (-)	-	-	-	-
EUR net effect	**22,858**	**(22,858)**	**22,858**	**(22,858)**
In case of 10% change in other foreign exchange rates against TRL:				
Other foreign currency net asset / (liability)	(56)	56	(56)	56
Secured position (-)	-	-	-	-
Other foreign currencies net effect	**(56)**	**56**	**(56)**	**56**
	45,364	**(45,364)**	**45,364**	**(45,364)**

(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 2010			
	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)	21,881	(21,881)	21,881	(21,881)
Secured position (-)	-	-	-	-
USD net effect	**21,881**	**(21,881)**	**21,881**	**(21,881)**
In case of 10% change in EUR against TRL:				
EUR net asset / (liability)	19,051	(19,051)	19,051	(19,051)
Secured position (-)	-	-	-	-
EUR net effect	**19,051**	**(19,051)**	**19,051**	**(19,051)**
In case of 10% change in other foreign exchange rates against TRL:				
Other foreign currency net asset / (liability)	(558)	558	(558)	558
Secured position (-)	-	-	-	-
Other foreign currencies net effect	**(558)**	**558**	**(558)**	**558**
	40,374	**(40,374)**	**40,374**	**(40,374)**

TRL equivalents of assets and liabilities held by the Group denominated in foreign currency at 30 June 2011 and 31 December 2010 in consideration of foreign exchange rates are as follows:

	30 June 2011	31 December 2010
USD	1.6302	1.5460
EUR	2.3492	2.0491

(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 30 June 2011 were as follows:

	30 June 2011			
		Original amounts		
	Total TRL equivalent	USD	EUR	Others(*)
Current assets:				
Cash and cash equivalents	467,328	139,106	102,389	27
Financial investments	2,968	1,821	-	-
Trade receivables	8,825	4,261	799	-
	479,121	**145,188**	**103,188**	**27**
Non-current assets:				
Trade receivables	6,421	3,939	-	-
Financial investments	2,137	1,311	-	-
Other	-	-	-	-
	8,558	**5,250**	**-**	**-**
Current liabilities:				
Financial liabilities	(2,725)	(474)	(831)	-
Financial liabilities due to related parties	-	-	-	-
Trade payables	(5,665)	(2,508)	(422)	(586)
Other current liabilities	-	-	-	-
	(8,390)	**(2,982)**	**(1,253)**	**(586)**
Non-current liabilities:				
Financial liabilities	(13,020)	(1,305)	(4,636)	-
Other non-current liabilities	12,631	7,748	-	-
	(25,651)	**(9,053)**	**(4,636)**	**-**
Net asset /(liability) position of off-balance sheet items(A-B)				
A. Total amount of hedged assets	-	-	-	-
B. Total amount of hedged liabilities	-	-	-	-
Net foreign currency asset / (liability) position	**453,638**	**138,403**	**97,299**	**(559)**
Fair value of currency derivatives held for hedging	**-**	**-**	**-**	**-**
Net position of off-balance sheet contingent assets and liabilities				
Guarantees and pledges taken	5,307	3,228	19	-
Guarantees and pledges given	140	86	-	-
Exports	7,714	3,958	537	-
Imports	93,609	40,946	10,869	1,326

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

(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 2010 were as follows:

	31 December 2010			
		Original amounts		
	Total TRL equivalent	USD	EUR	Others (*)
Current assets:				
Cash and cash equivalents	428,023	143,517	100,477	257
Financial investments	4,628	2,966	20	-
Trade receivables	5,269	2,657	567	-
	437,920	**149,140**	**101,064**	**257**
Non-current assets:				
Financial investments	2,741	1,773	-	-
	2,741	**1,773**	**-**	**-**
Non-current liabilities:				
Financial liabilities	2,821	229	1,204	-
Trade payables	18,062	5,291	1,972	5,842
Financial liabilities due to related parties	-	-	-	-
Other current liabilities	-	-	-	-
	20,883	**5,520**	**3,176**	**5,842**
Non-current liabilities:				
Financial liabilities	10,344	173	4,918	-
Other non-current liabilities	5,697	3,685	-	-
	16,041	**3,858**	**4,918**	**-**
Net asset / (liability) position of off-balance sheet items (A-B)				
A. Total amount of hedged assets	-	-	-	-
B. Total amount of hedged liabilities	-	-	-	-
Net foreign currency asset / (liability) position	**403,737**	**141,535**	**92,970**	**(5,585)**
Fair value of currency derivatives held for hedging (**)	**-**	**-**	**-**	**-**
Net position of off-balance sheet contingent assets and liabilities				
Guarantees and pledges taken	9,494	5,262	390	-
Guarantees and pledges given	228	140	283	-
Exports	7,714	3.958	537	-
Imports	93,609	40,946	10,869	1,326

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

NOTE 28 - SUBSEQUENT EVENTS

Monrol Nükleer Ürünler Sanayi ve Ticaret A.Ş., in which the Company has 50% shareholding, has signed a share purchase agreement for acquisition of 7,499,996 units of shares of Moleküler Görüntüleme Ticaret ve Sanayi A.Ş. corresponding to 99.999947% of the total capital of the aforementioned company in accordance with the resolution of the Board of Directors dated on 24 May 2011. Share Purchase Agreement was put into force after its approval in the meeting of the Competition Board No. 11041/8810276 dated on 6 July 2011.

In accordance with the aforementioned Share Purchase Agreement, the procedures related with the transfer of 7,449,996 units of shares of Moleküler Görüntüleme Ticaret ve Sanayi A.Ş. corresponding to 99.999947% of its total capital were completed on 29 July 2011 and the purchase price amounting to TRL 8,399,995.52 was paid in cash on the same date.

In relation with inquiry reports issued on 24 August 2011 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 7,308 thousand regarding the tax (TRL 5,240 thousand of the penalty is attributable to corporate income tax and TRL 2,068 thousand relate to VAT) and TRL 10,962 thousand of penalty have been levied against the Company by the Büyük Mükellefler Tax Administration.

For the related notices, the assessment as to whether to apply to the Commission for Tax Reconciliations of the Ministry of Finance or file a lawsuit continues and a decision will be made on the issue within the legal timeframe.

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 31 December 2009, it was decided to make an application to Banking Regulation and Supervision Agency within the scope of the related legislation for establishing an investment bank. It was also decided to participate to the equity of bank by 40% after legal process is finalised and compulsory permissions are obtained for the establishment of an investment bank. On 30 June 2011, the Company announced in investor relations news, that collection of compulsory application information is in progress.

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