**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 SEPTEMBER 2011**

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

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CONDENSED CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2011

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

		Not Reviewed	*Audited*
	Notes	**30 September 2011**	**31 December 2010**
ASSETS			
Current assets			
Cash and cash equivalents	5	756,150	656,127
Financial investments	6	1,464	3,419
Trade receivables			
- Due from related parties	26	8,907	2,487
- Other trade receivables	8	221,531	190,609
Other receivables			
- Due from related parties	26	-	-
- Other receivables		771	746
Inventories	10	116,883	96,156
Other current assets	9	14,442	16,626
Total current assets		**1,120,148**	**966,170**
Non-current assets			
Trade receivables			
- Other trade receivables	8	6,841	3,234
Other receivables		74	75
Financial investments	6	1,276,665	1,275,898
Investments accounted for using equity method	11	23,993	25,349
Investment properties	12	199,874	203,193
Property, plant and equipment	13	77,222	72,021
Intangible assets	14	25,478	25,875
Goodwill	29	35,731	32,574
Deferred income tax assets	24	9,981	7,408
Other non-current assets	9	79,459	50,427
Total non-current assets		**1,735,318**	**1,696,054**
Total assets		**2,855,466**	**2,662,224**

The interim condensed consolidated financial statements for the nine months period ended 30 September 2011 were approved by the Board of Directors on 11 November 2011 and signed on its behalf by Sedat Birol, General Manager and by Bülent Avcı, Financial Manager.

CONDENSED CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2011

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

	Notes	*Not Reviewed* 30 September 2011	*Audited* 31 December 2010
LIABILITIES			
Current liabilities			
Financial liabilities			
- Other financial liabilities	7	39,524	34,668
Trade payables			
- Due to related parties	26	114,787	70,256
- Other trade payables	8	94,382	59,202
Other payable			
- Due to related parties	26	4,433	-
- Other payables	9	1,285	1,116
Current income tax liabilities	24	11,463	1,302
Provisions	15	1,084	738
Provisions for employee benefits	16	6,837	5,957
Other current liabilities	9	31,914	10,945
Total current liabilities		**305,709**	**184,184**
Non-current liabilities			
Financial liabilities			
- Other financial liabilities	7	13,479	10,451
Provisions for employee benefits	16	6,969	7,293
Deferred income tax liabilities	24	59,194	59,952
Other non-current liabilities	9	19,359	13,033
Total non-current liabilities		**99,001**	**90,729**
EQUITY			
Share capital	17	548,208	548,208
Adjustments to share capital	17	105,777	105,777
Financial assets fair value reserve		1,069,148	1,069,322
Restricted reserves	17	248,754	245,415
Cumulative translation reserve		4,013	(1,894)
Retained earnings		359,778	341,322
Net profit for the year		99,909	60,380
Attributable to equity holders of the Company		**2,435,587**	**2,368,530**
Non-controlling interests		**15,169**	**18,781**
Total equity		**2,450,756**	**2,387,311**
Total liabilities and equity		**2,855,466**	**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 SEPTEMBER 2011

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

	Notes	*Not Reviewed* 1 January - 30 September 2011	*Not Reviewed* 1 July - 30 September 2011	*Not Reviewed* 1 January - 30 September 2010	*Not Reviewed* 1 July - 30 September 2010
Net sales, net	18	731,434	233,325	705,492	233,207
Cost of sales (-)	18	(525,379)	(169,604)	(506,131)	(171,834)
Gross profit		**206,055**	**63,721**	**199,361**	**61,373**
Marketing, selling and distribution expenses (-)	19	(99,624)	(24,224)	(96,115)	(30,105)
General administrative expenses (-)	19	(73,603)	(22,175)	(66.338)	(22,506)
Research and development expenses (-)		(54)	(51)	(12)	(5)
Other operating income	21	5,877	(2,335)	16,648	101
Other operating expenses (-)	21	(18,248)	(5,285)	(7,273)	(1,286)
Operating profit		**20,403**	**9,651**	**46,271**	**7,572**
Share of profit / (loss) of associates	11	(8,349)	(3,825)	6,498	(712)
Financial income	22	154,074	67,461	65,054	10,376
Financial expenses (-)	23	(38,048)	(12,727)	(65,075)	(14,808)
Profit before tax		**128,080**	**60,560**	**52,748**	**2,428**
Current income tax charge	24	(30,043)	(13,040)	(11,192)	(2,381)
Deferred income tax benefit	24	3,252	94	797	32
Net profit for the period		**101,289**	**47,614**	**42,353**	**79**
Attributable to					
- Non-controlling interests		1,380	1,050	2,342	625
- Equity holders of the parent	25	99,909	46,564	40,011	(546)
Net profit for the period		**101,289**	**47,614**	**42,353**	**79**
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**	**0.18**	**0.08**	**0.07**	**0.00**

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

	Notes	*Not Reviewed* 1 January - 30 September 2011	*Not Reviewed* 1 July - 30 September 2011	*Not Reviewed* 1 January - 30 September 2010	*Not Reviewed* 1 July - 30 September 2010
Net profit for the period		**101,289**	**47,614**	**42,353**	**79**
Other comprehensive income / (expense)					
Changes in financial assets' fair value reserve		(641)	733	66	367
Changes in currency translation differences		5,907	2,814	(2,795)	947
Group's share in the associates' comprehensive income		(83)	(14)	92	5
Tax income / (expense) of other comprehensive income items	24	42	(28)	(3)	(18)
Other comprehensive income / (expense) (after tax)		**5,225**	**3,505**	**(2,640)**	**1,301**
Total comprehensive income		**106,514**	**51,119**	**39,713**	**1,380**
Attributable to					
- Non-controlling interests		872	1,174	2,390	799
- Equity holders of the parent		105,642	49,945	37,323	581
Total comprehensive income		**106,514**	**51,119**	**39,713**	**1,380**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 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)**	(4,501)	**(42,876)**
Effect of rate change in investment in associates (Note 11)	-	-	-	-	-	(210)	-	**(210)**	17	**(193)**
Total comprehensive income	-	-	(174)	-	5,907	-	99,909	**105,642**	872	**106,514**
30 September 2011	**548,208**	**105,777**	**1,069,148**	**248,754**	**4,013**	**359,778**	**99,909**	**2,435,587**	**15,169**	**2,450,756**
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)**	(3,143)	**(41,518)**
Total comprehensive income	-	-	107	-	(2,795)	-	40,011	**37,323**	2,390	**39,713**
30 September 2010	**548,208**	**105,777**	**892,253**	**245,415**	**(2,835)**	**341,322**	**40,011**	**2,170,151**	**18,269**	**2,188,420**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

	Notes	*Not Reviewed* 1 January - 30 September 2011	*Not Reviewed* 1 January - 30 September 2010
Cash flows from operating activities:			
Profit before tax		128,080	52,748
Adjustments:			
Depreciation and amortisation	12, 13, 14	15,715	14,570
Provision for employment termination benefits and actuarial loss	16, 19	1,648	2,368
Provision for unused vacation	16, 19	1,243	526
Provision for doubtful receivables	8, 19	228	922
Loss / (gain) on sale of property, plant and equipment and intangible assets, net	21	(380)	63
Provision for diminution in value of inventories, net	10, 21	5,094	3,797
Group's share in the associates' loss / (profits), net	11	8,349	(6,498)
Interest and credit finance income, net	22, 23	(27,242)	(24,933)
Wage and premium accrulas	16	360	-
Portfolio value decreases	23	1,162	1,301
Provision for litigations	15	438	180
Dividend income	22	(3,970)	-
Unrealised foreign exchange loss / (income)		(88,993)	26,973
Expense accruals	9	936	626
Changes in working capital:			
Trade receivables		(34,784)	(29,636)
Due from and due to related parties, net		38,062	(4,385)
Inventories		(25,784)	(6,151)
Trade payables		34,386	(5,234)
Other current assets and liabilities, net		22,292	(2,690)
Other non-current assets and liabilities, net		(22,695)	1,357
Effect of unrealized FX gain/losses on other working capital		-	123
Net cash (used in) / provided from operations		**54,145**	**26,027**
Taxes paid		(19,882)	(14,891)
Employment termination benefits paid	16	(2,018)	(623)
Unused vacation payments	16	(739)	(229)
Collections of doubtful receivables	8, 21	30	694
Net cash (used in) / provided from operating activities		**31,536**	**10,978**
Investing activities:			
Purchases of property, plant and equipment and intangible assets	12, 13, 14	(16,662)	(12,749)
Proceeds from sale of property, plant and equipment and intangible assets		1,521	655
Purchases of joint ventures share (Note 29)		(4,178)	-
Capital advance payments to associates		(814)	-
Changes in financial assets		(615)	-
Proceeds from sale of associate		-	532
Net cash used in investing activities		**(20,748)**	**(11,562)**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

	Notes	*Not Reviewed* 1 January - 30 September 2011	*Not Reviewed* 1 January - 30 September 2010
Financing activities:			
Changes in bank borrowings		7,192	(13,226)
Interest and credit finance charges paid		(11,318)	(4,729)
Interest received		39,309	30,639
Dividends paid		(38,375)	(38,375)
Dividends received		4,144	-
Dividends paid to non-controlling interests		-	(52)
Net cash used in financing activities		**952**	**(25,743)**
Net decrease in cash and cash equivalents		**11,740**	**(26,327)**
Cash and cash equivalents at the beginning of the period	5	653,895	679,232
Exchange gains on cash and cash equivalents		89,033	(28,128)
Cash and cash equivalents at the end of the period	**5**	**754,668**	**624,777**

(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 September 2011, 29.19% 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.

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.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

On 19 October 2011 the IASB issued an Interpretation, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, clarifying the requirements for accounting for stripping costs in the production phase of a surface mine.

The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted.

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 September 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 September 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 September 2011 are comparatively presented with the consolidated statements of income, comprehensive income, cash flows and changes in equity for the interim period ended 30 September 2010.

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 380,485 thousand are netted-off in consolidated financial statements for the interim period ended 30 September 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 September 2011**	**31 December 2010**
Current assets	137,881	121,331
Non-current assets	87,923	78,248
Total assets	**225,804**	**199,579**
Current liabilities	59,258	40,189
Non-current liabilities	22,312	20,068
Equity	144,234	139,322
Total liabilities and equity	**225,804**	**199,579**

Statement of Income:	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Net sales	229,834	74,047	199,268	62,886
Cost of sales (-)	(134,181)	(44,924)	(110,536)	(38,420)
Gross profit	**95,653**	**29,123**	**88,732**	**24,466**
Operating expenses (-)	(81,791)	(26,876)	(72,618)	(24,684)
Operating profit	**13,862**	**2,247**	**16,114**	**(218)**
Financial income, net	(813)	(1,084)	1,680	1,136
Profit before tax	**13,049**	**1,163**	**17,794**	**918**
Taxes (-)	(2,741)	(160)	(4,143)	(263)
Net profit for the period	**10,308**	**1,003**	**13,651**	**655**

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 September 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 September 2011 and 31 December 2010:

	30 September 2011		31 December 2010	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Health	309,076	(107,186)	275,795	(75,063)
Personal care	202,045	(163,039)	157,482	(122,525)
Real estate development	302,814	(61,562)	264,874	(16,899)
Undistributed	2,041,540	(72,932)	1,964,085	(60,438)
Inter-segment elimination	(9)	9	(12)	12
Total	**2,855,466**	**(404,710)**	**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 September:

1 January - 30 September 2011	**Health**	**Personal care**	**Real estate development**	**Undistributed**	**Inter-segment elimination**	**Total**
Capital expenditures (Notes 12, 13 and 14)	13,081	2,584	997	-	-	**16,662**
Non-cash expenses:						
- Depreciation and amortisation (Notes 12, 13 and 14)	9,007	2,302	4,406	-	-	**15,715**
- Provision for diminution in value of inventories (Note 10)	2,259	2,835	-	-	-	**5,094**
- Wage and premium accruals (Note 9)	-	360	-	-	-	**360**
- Provision for employment termination benefits and actuarial loss (Note 16)	1,730	(120)	38	-	-	**1,648**
- Provision for unused vacation (Note 16)	367	807	69	-	-	**1,243**
- Provision for litigations (Note 15)	438	-	-	-	-	**438**
- Provision for doubtful receivables (Note 19)	228	-	-	-	-	**228**
- Expense accruals (Note 9)	935	1	-	-	-	**936**
	14,964	**6,185**	**4,513**	**-**	**-**	**25,662**
1 January - 30 September 2010						
Capital expenditures (Notes 12, 13 and 14)	10,291	1,599	859	-	-	**12,749**
Non-cash expenses:						
- Depreciation and amortisation (Notes 12, 13 and 14)	8,324	2,041	4,205	-	-	**14,570**
- Provision for diminution in value of inventories (Note 10)	3,418	379	-	-	-	**3,797**
- Provision for employment termination benefits and actuarial loss (Note 16)	2,302	59	7	-	-	**2,368**
- Provision for doubtful receivables (Note 19)	460	462	-	-	-	**922**
- Expense accruals (Note 9)	622	4	-	-	-	**626**
- Provision for unused vacation (Note 16)	192	316	18	-	-	**526**
- Provision for litigations (Note 15)	83	97	-	-	-	**180**
	15,401	**3,358**	**4,230**	**-**	**-**	**22,989**

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

NOTE 4 - SEGMENT REPORTING (Continued)

Segment results for the interim periods ended 30 September:

1 January - 30 September 2011	Health	Personal care	Real estate development	Undistributed	Inter-segment elimination	Total
Total sales	261,700	503,622	34,967	45	-	**800,334**
Elimination of sales within the Group	(3,244)	(65,506)	(112)	-	(38)	**(68,900)**
Sales to third parties	258,456	438,116	34,855	45	(38)	**731,434**
Cost of sales (-)	(151,891)	(360,484)	(13,045)	-	41	**(525,379)**
Gross profit / (loss)	**106,565**	**77,632**	**21,810**	**45**	**3**	**206,055**
Marketing, sales and distribution expenses (-)	(53,460)	(40,453)	(5,621)	(90)	-	**(99,624)**
General administrative expenses (-)	(49,777)	(19,419)	(322)	(4,083)	(2)	**(73,603)**
Research and development expenses (-)	(54)	-	-	-	-	**(54)**
Other operating income	1,637	2,370	1,819	52	(1)	**5,877**
Other operating expenses (-)	(9,969)	(6,317)	(1,839)	(123)	-	**(18,248)**
Operating profit / (loss)	**(5,058)**	**13,813**	**15,847**	**(4,199)**	**-**	**20,403**
1 July - 30 September 2011						
Total sales	85,386	154,104	10,354	3	-	**249,847**
Elimination of sales within the Group	(978)	(18,837)	3,308	-	(15)	**(16,522)**
Sales to third parties	84,408	135,267	13,662	3	(15)	**233,325**
Cost of sales (-)	(46,304)	(116,366)	(6,954)	-	20	**(169,604)**
Gross profit / (loss)	**38,104**	**18,901**	**6,708**	**3**	**5**	**63,721**
Marketing, sales and distribution expenses (-)	(11,922)	(10,574)	(1,722)	(6)	-	**(24,224)**
General administrative expenses (-)	(17,055)	(3,947)	(48)	(1,090)	(35)	**(22,175)**
Research and development expenses (-)	(51)	-	-	-	-	**(51)**
Other operating income	(3,114)	657	79	11	32	**(2,335)**
Other operating expenses (-)	(4,064)	(1,025)	(213)	17	-	**(5,285)**
Operating profit / (loss)	**1,898**	**4,012**	**4,804**	**(1,065)**	**2**	**9,651**

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

1 January - 30 September 2010	Health	Personal care	Real estate development	Undistributed	Inter-segment elimination	Total
Total sales	292,243	447,018	32,950	-	-	**772,211**
Elimination of sales within the Group	(21,865)	(43,437)	(1,191)	-	(226)	**(66,719)**
Sales to third parties	270,378	403,581	31,759	-	(226)	**705,492**
Cost of sales (-)	(161,777)	(332,039)	(12,315)	-	-	**(506,131)**
Gross profit / (loss)	**108,601**	**71,542**	**19,444**	**-**	**(226)**	**199,361**
Marketing, sales and distribution expenses (-)	(51,575)	(38,555)	(5,364)	(635)	14	**(96,115)**
General administrative expenses (-)	(45,203)	(15,162)	(414)	(5,783)	224	**(66,338)**
Research and development expenses (-)	(12)	-	-	-	-	**(12)**
Other operating income	16,205	164	94	228	(43)	**16,648**
Other operating expenses (-)	(5,226)	(903)	42	(1,214)	28	**(7,273)**
Operating profit / (loss)	**22,790**	**17,086**	**13,802**	**(7,404)**	**(3)**	**46,271**

1 July - 30 September 2010	Health	Personal care	Real estate development	Undistributed	Inter-segment elimination	Total
Total sales	92,230	146,042	10,463	-	-	**248,735**
Elimination of sales within the Group	(4,489)	(9,845)	(1,122)	-	(72)	**(15,528)**
Sales to third parties	87,741	136,197	9,341	-	(72)	**233,207**
Cost of sales (-)	(52,940)	(115,559)	(3,298)	-	(37)	**(171,834)**
Gross profit / (loss)	**34,801**	**20,638**	**6,043**	**-**	**(109)**	**61,373**
Marketing, sales and distribution expenses (-)	(16,811)	(11,825)	(1,442)	(14)	(13)	**(30,105)**
General administrative expenses (-)	(16,149)	(4,828)	(166)	(1,468)	105	**(22,506)**
Research and development expenses (-)	(5)	-	-	-	-	**(5)**
Other operating income	483	(413)	(35)	109	(43)	**101**
Other operating expenses (-)	(1,186)	(42)	59	(145)	28	**(1,286)**
Operating profit / (loss)	**1,133**	**3,530**	**4,459**	**(1,518)**	**(32)**	**7,572**

(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 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Operating profits related to operating segments	24,602	10,714	53,678	9,122
Undistributed expenses (-)	(4,199)	(1,065)	(7,404)	(1,518)
Inter-segment elimination	-	2	(3)	(32)
Profit / (loss) shares from associates	(8,349)	(3,825)	6,498	(712)
Financial income	154,074	67,461	65,054	10,376
Financial expenses (-)	(38,048)	(12,727)	(65,075)	(14,808)
Profit before tax	**128,080**	**60,560**	**52,748**	**2,428**

NOTE 5 - CASH AND CASH EQUIVALENTS

	30 September 2011	31 December 2010
Cash in hand	73	76
Banks	755,836	656,018
- demand deposits	6,469	7,847
- time deposits	749,367	648,171
Other liquid assets	241	33
	756,150	**656,127**

Maturities of time deposits are as follows:

Less than 1 month	657,327	642,558
1 to 3 months	98,509	13,460
	755,836	**656,018**

Interest rates for TRL denominated time deposits vary between 6.50% and 10.25% (31 December 2010: 6.50% - 9.40%), whereas interest rates for foreign currency denominated time deposits vary between 4.10% and 5% (31 December 2010: 0.60% - 3.65%). The weighted average interest rates per annum for TRL, USD and EUR denominated time deposits are 8.28%, 4.52% and 4.53%, 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 September 2011 are presented below:

	30 September 2011	31 December 2010	30 September 2010	31 December 2009
Cash and cash equivalents	756,150	656,127	626,878	678,245
Financial assets (Note 6)	-	-	-	4,066
Interest accruals (-)	(1,482)	(2,232)	(2,101)	(3,079)
	754,668	**653,895**	**624,777**	**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 September 2011 and 31 December 2010 are as follows:

	30 September 2011	31 December 2010
Financial assets at fair value through profit and loss	1,464	3,419
Financial investments, current	**1,464**	**3,419**
Financial assets available-for-sale	1,272,516	1,273,157
Financial assets at fair value through profit and loss	4,149	2,741
Financial investments, non-current	**1,276,665**	**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 September 2011	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	-	1,464	-	1,464
Financial investments, current	**-**	**1,464**	**-**	**1,464**
Financial assets available-for-sale	127,410	225,918	919,188	1,272,516
Financial assets at fair value through profit and loss	-	4,149	-	4,149
Financial investments, non-current	**127,410**	**230,067**	**919,188**	**1,276,665**

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 1,464 thousand (31 December 2010: TRL 3,419 thousand) in one year period from balance sheet date, remaining balance of TRL 4,149 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 September 2011 and 31 December 2010 is as follows:

Listed:	**30 September 2011**	**%**	**31 December 2010**	**%**
Eczacıbaşı Yatırım Ortaklığı A.Ş. (*)	1,800	15	3,213	15
İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş. (*)	1,360	2	579	2
Türkiye İş Bankası A.Ş. (*)	31	<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
	3,191		**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	**1,272,516**		**1,273,157**	

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

(**) As of 30 September 2011, the market prices of Ak Enerji Elektrik Üretim A.Ş. and Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş. are TRL 293 thousand and TRL 408 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 September 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 - 10.49	11,823	11,823	7.50 - 9.61	7,058	7,058
EUR denominated bank borrowings	Euribor + 1.75 - 2.50	2,031	5,110	Euribor + 1.75 - 2.50	1,179	2,416
USD denominated bank borrowings	Libor + 1.75 - 2.00	768	1,417	Libor + 1.75 - 2.00	229	355
Short-term bank borrowings			**18,350**			**9,829**
Factoring liabilities (*)		19,519	19,519		24,785	24,785
Short-term financial lease liabilities		-	-		54	54
Financial derivatives liabilities		1,655	1,655		-	-
Total short-term financial liabilities			**39,524**			**34,668**
TRL denominated bank borrowings	-	97	97	-	107	107
EUR denominated bank borrowings	Euribor + 2,50	4,469	11,242	Euribor + 2,50	4,918	10,077
USD denominated bank borrowings	Libor + 2,00	1,159	2,140	Libor + 2,00	173	267
Long-term bank borrowings			**13,479**			**10,451**

(*) As at 30 September 2011, the Group has endorsed some of its receivables to a factoring company amounting to TRL 19,519 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 9.64%, 6.20% and 4.24% 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 4.69% and 3.52% 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 September 2011 and 31 December 2010 are presented below:

Year	**30 September 2011**	**31 December 2010**
Between 1 - 2 years	5,201	2,480
Between 2 - 3 years	3,672	2,752
Between 3 - 4 years	1,936	1,997
Between 4 - 5 years	1,650	1,372
5 years and thereafter	1,020	1,850
Total	**13,479**	**10,451**

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

	30 September 2011	**31 December 2010**
6 months and less	39,428	45,065
Total	**39,428**	**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 September 2011**	**31 December 2010**
Trade receivables	185,113	162,793
Notes receivables	44,772	35,936
	229,885	**198,729**
Deferred credit finance income (-)	(1,375)	(588)
Provision for doubtful receivables (-)	(6,979)	(7,532)
Short-term trade receivables, net	**221,531**	**190,609**

Average maturity of the Group's receivables is 70 days (31 December 2010: 65 days) and TRL denominated trade receivables are amortised at 7.18% per annum (31 December 2010: 6.10%).

As of 30 September 2011, trade receivables include receivables endorsed to a factoring company amounting to TRL 19,519 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)	228	922
Collections	(30)	(694)
Reversal of provisions (-)	(751)	-
As of 30 September	**6,979**	**6,265**

(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 September 2011, long-term trade receivables amounting to TRL 6,841 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 September 2011	31 December 2010
Trade payables	94,765	59,524
Deferred credit finance expenses (-)	(383)	(322)
Short-term trade payables, net	**94,382**	**59,202**

Average maturity of the Group's payables is 75 days (31 December 2010: 61 days) and TRL denominated trade payables are amortised at 7.18% per annum (31 December 2010: 6.11%). EUR denominated trade payables are amortised at 1.43% per annum (31 December 2010: 0.82%) and USD denominated payables are amortised at 0.34% per annum (31 December 2010: 0.28%).

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

Other current assets	30 September 2011	31 December 2010
VAT receivables	6,484	13,137
Prepaid expenses	3,711	1,219
Prepaid taxes and withholding taxes	1,243	1,405
Income accruals	2,111	579
Receivables from personnel	442	15
Advances given	329	259
Business advances	118	-
Other	4	12
	14,442	**16,626**

Other non-current assets	30 September 2011	31 December 2010
VAT receivables	52,012	46,333
Advances given for purchase of property, plant and equipment	25,139	3,372
Prepaid expenses	799	350
Other	1,509	372
	79,459	**50,427**

Short-term other liabilities	30 September 2011	31 December 2010
Deposits and collaterals received	1,097	909
Other	188	207
	1,285	**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 September 2011**	**31 December 2010**
Advance on payments from customer	23,417	254
Taxes payable	6,333	7,464
Expense accruals	936	1,198
VAT payable	711	-
Due to personnel	322	836
Unearned revenue	151	715
Other	44	478
	31,914	**10,945**

As of 30 September 2011, other non-current liabilities amounting to TRL 19,348 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 September 2011	**31 December 2010**
Raw materials and supplies	13,585	12,180
Work in progress	1,532	2,206
Finished goods	9,277	10,439
Merchandise	22,586	15,977
Scrap goods	1,758	5,629
Other inventories	2,651	1,310
Goods in transit	10,968	6,732
Land	60,880	48,505
	123,237	**102,978**
Provision for diminution in value of inventories (-)	(6,354)	(6,822)
	116,883	**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 23,843 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)	5,094	3,797
Reversals (-)	(403)	(347)
Inventories destroyed	(5,159)	(2,541)
As of 30 September	**6,354**	**7,841**

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

NOTE 11 - INVESTMENTS IN ASSOCIATES

Associates	**30 September 2011**	**31 December 2010**
Ekom	12,085	11,838
Vitra Karo	11,430	13,107
ESH	478	404
	23,993	**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)	(8,349)	6,498
Dividend payments	(174)	-
Capital advance payments	814	-
Change in revaluation fund of tangible and intangible assets	(98)	-
Change in the fair value of available-for-sale financial assets	15	92
Increases / (decreases) due to currency translation differences	6,646	(2,918)
As of 30 September	**23,993**	**28,101**

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

	30 September 2011				
Associates	**Assets**	**Liabilities**	**Net sales**	**Net profit / (loss) for the period**	**Total proportion of ownership interest (%)**
Ekom	951,809	905,965	560,092	307	26.36
Vitra Karo	729,009	683,285	566,378	(8,125)	25.00
ESH	4,737	3,807	13,410	(531)	51.35
				(8,349)	

	31 December 2010		**30 September 2010**		
Associates	**Assets**	**Liabilities**	**Net sales**	**Net profit / (loss) for the period**	**Total proportion of ownership interest (%)**
Ekom	706,028	661,108	389,522	60	26.36
Vitra Karo	516,207	463,780	416,511	7,215	25.00
ESH	4,373	3,513	10,575	(777)	46.46
				6,498	

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

NOTE 12 - INVESTMENT PROPERTIES

Cost	1 January 2011	Additions	Disposals	30 September 2011
Kanyon (*)	224,091	870	-	224,961
Buildings	7,208	376	-	7,584
Lands and land improvements	523	-	(319)	204
	231,822	**1,246**	**(319)**	**232,749**
Accumulated depreciation				
Kanyon	22,828	3,222	-	26,050
Buildings	5,674	1,069	-	6,743
Lands and land improvements	127	3	(48)	82
	28,629	**4,294**	**(48)**	**32,875**
Carrying amount	**203,193**			**199,874**

Cost	1 January 2010	Additions	Disposals	30 September 2010
Kanyon	223,975	86	-	224,061
Buildings	6,471	109	-	6,580
Lands and land improvements	498	25	-	523
	230,944	**220**	**-**	**231,164**
Accumulated depreciation				
Kanyon	17,334	4,118	-	21,452
Buildings	5,609	48	-	5,657
Lands and land improvements	125	2	-	127
	23,068	**4,168**	**-**	**27,236**
Carrying amount	**207,876**			**203,928**

(*) 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	Subsidiary purchase effect	Additions	Disposals	Transfers	30 September 2011
Land and land improvements	5,445	-	2,346	-	-	**7,791**
Buildings	25,795	-	234	(51)	9	**25,987**
Machinery, plant and equipment	89,727	531	1,471	(895)	-	**90,834**
Motor vehicles	3,000	12	202	(1,030)	-	**2,184**
Furniture and fixtures	25,863	160	1,563	(512)	52	**27,126**
Construction in progress	5,694	379	5,662	-	(61)	**11,674**
Leasehold improvements	13,823	942	200	(914)	-	**14,051**
Other tangible assets	5,108	-	406	(124)	-	**5,390**
	174,455	**2,024**	**12,084**	**(3,526)**	**-**	**185,037**
Accumulated depreciation						
Land improvements	141	-	13	-	-	**154**
Buildings	6,542	-	447	(51)	-	**6.938**
Machinery, plant and equipment	59,742	190	4,289	(481)	-	**63,740**
Motor vehicles	2,292	4	195	(973)	-	**1,518**
Furniture and fixtures	19,662	67	1,297	(343)	-	**20,683**
Leasehold improvements	9,713	222	957	(755)	-	**10,137**
Other tangible assets	4,342	-	381	(78)	-	**4,645**
	102,434	**483**	**7,579**	**(2,681)**	**-**	**107,815**
Carrying amount	**72,021**					**77,222**

Allocation of depreciation expenses is as follows: TRL 3,038 thousand in cost of goods sold, TRL 2,857 thousand in marketing, sales and distribution expenses, TRL 54 thousand in research and development expenses and TRL 1,630 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 September 2010
Land and land improvements	5,420	25	-	-	**5,445**
Buildings	23,138	189	-	26	**23,353**
Machinery, plant and equipment	86,397	2,279	(772)	193	**88,097**
Motor vehicles	6,915	347	(394)	-	**6,868**
Furniture and fixtures	26,919	1,326	(415)	-	**27,830**
Construction in progress	2,892	5,186	-	(239)	**7,839**
Leasehold improvements	14,158	121	(132)	20	**14,167**
Other tangible assets	4,990	203	(119)	-	**5,074**
	170,829	**9,676**	**(1,832)**	**-**	**178,673**
Accumulated depreciation					
Land improvements	125	12	-	-	**137**
Buildings	6,062	352	-	-	**6,414**
Machinery, plant and equipment	55,314	4,067	(522)	-	**58,859**
Motor vehicles	6,533	162	(353)	-	**6,342**
Furniture and fixtures	21,064	1,253	(307)	-	**22,010**
Leasehold improvements	9,396	904	(117)	-	**10,183**
Other tangible assets	4,284	217	(105)	-	**4,396**
	102,778	**6,967**	**(1,404)**	**-**	**108,341**
Carrying amount	**68,051**				**70,332**

Allocation of depreciation expenses is as follows: TRL 3,415 thousand in cost of goods sold, TRL 1,751 thousand in marketing, sales and distribution expenses, TRL 1,797 thousand in general and administrative expenses and TRL 4 thousand in research and development expenses.

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Net book value of property, plant and equipment acquired under finance leases at 30 September 2011 is TRL 888 thousand (30 September 2010: TRL 1,334 thousand) and historical amounts and accumulated depreciation amounts are as follows:

	30 September 2011		
	Cost	Accumulated depreciation	Carrying amount
Machinery, plant and equipment	7,542	(6,654)	888
Motor vehicles	288	(288)	-
Furniture and fixtures	151	(151)	-
	7,981	**(7,093)**	**888**

	30 September 2010		
	Cost	Accumulated depreciation	Carrying amount
Machinery, plant and equipment	7,542	(6,208)	1,334
Motor vehicles	288	(288)	-
Furniture and fixtures	151	(151)	-
	7,981	**(6,647)**	**1,334**

As of 30 September 2011 and 30 September 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**	**Subsidiary purchase effect**	**Additions**	**Disposals**	**Transfers**	**30 September 2011**
Customer relations, licences and royalty	20,901	-	2	-	18	**20,921**
Rights	4,575	142	634	(35)	-	**5,316**
Computer software	13,239	-	1,008	(5)	-	**14,242**
Construction in progress	3,581	-	326	-	(18)	**3,889**
Other intangible assets	4,302	16	1,362	(55)	-	**5,625**
	46,598	**158**	**3,332**	**(95)**	**-**	**49,993**
Accumulated amortisation						
Customer relations, licences and royalty	6,118	-	1,467	-	-	**7,585**
Rights	2,272	14	575	(35)	-	**2,826**
Computer software	9,656	-	1,149	(3)	-	**10,802**
Other intangible assets	2,677	4	651	(30)	-	**3,302**
	20,723	**18**	**3,842**	**(68)**	**-**	**24,515**
Carrying amount	**25,875**					**25,478**

Allocation of amortisation charge is as follows: TRL 1,483 thousand in cost of goods sold, TRL 1,448 thousand in marketing, sales and distribution expenses and TRL 911 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 September 2010
Customer relations, licences and royalty	20,844	-	-	32	**20,876**
Rights	4,137	207	(332)	138	**4,150**
Computer software	14,447	742	(22)	132	**15,299**
Construction in progress	2,489	1,761	(111)	(305)	**3,834**
Other intangible assets	4,157	143	-	3	**4,303**
	46,074	**2,853**	**(465)**	**-**	**48,462**
Accumulated amortisation					
Customer relations, licences and royalty	3,956	1,620	-	-	**5,576**
Rights	3,016	300	(154)	-	**3,162**
Computer software	10,585	1,348	(21)	-	**11,912**
Other intangible assets	2,562	167	-	-	**2,729**
	20,119	**3,435**	**(175)**	**-**	**23,379**
Carrying amount	**25,955**				**25,083**

Allocation of amortisation charge is as follows: TRL 1,745 thousand in cost of goods sold, TRL 855 thousand in general and administrative expenses and TRL 835 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 September 2011	31 December 2010
Provision for litigations	1,084	738
	1,084	**738**

Provision for litigations:

The Group has provided provision for the lawsuits filed against the Group in the amount of TRL 1,084 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 (Note 21)	438	180
Reversal of provision (-)	(92)	(383)
As of 30 September	**1,084**	**682**

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 8,896 thousand regarding the corporate income tax (TRL 5,709 thousand of the amount is attributable to additional corporate income tax and TRL 3,187 thousand relate to temporary income tax) and TRL 13,344 thousand of penalty 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 (TRL 2,340 thousand of the amount is attributable to additional corporate income tax and TRL 4,916 thousand relate to temporary income tax) and TRL 10,914 of penalty 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 10^{th} 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)

c) Contingent liabilities (continued):

Tax penalty communicated as at 24 August 2011:

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.

d) Guarantees given and taken:

	30 September 2011			
Guarantees given	**USD**	**EUR**	**TRL**	**Total**
Suretyship declaration for bank borrowings	-	-	2,500	**2,500**
Letters of guarantee	139	-	18,899	**19,038**
Guaranteed bills of exchange	1	-	-	**1**
	140	**-**	**21,399**	**21,539**
Guarantees taken				
Letters of guarantee	6,176	1,506	59,559	**67,241**
Mortgages	-	-	26,597	**26,597**
Cheques	-	-	5,015	**5,015**
Guaranteed bills of exchange	-	434	9,045	**9,479**
	6,176	**1,940**	**100,216**	**108,332**

	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				
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 1,036 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 September 2011 and 31 December 2010 are as follows:

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

NOTE 16 - EMPLOYEE BENEFITS

	30 September 2011	31 December 2010
Provision for employment termination benefits	6,969	7,293
Provision for unused vacations	6,477	5,957
Wages and premium accruals	360	-
	13,806	**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 September 2011, the amount payable consists of one month's salary limited to a maximum of TRL 2,731.85 (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 September:

	2011	2010
As of 1 January	7,293	4,394
Subsidiary purchase effect	46	-
Charge for the period (Note 20)	1,648	2,368
Payments during the period (-)	(2,018)	(623)
As of 30 September	**6,969**	**6,139**

Provision for unused vacations:

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

	2011	2010
As of 1 January	5,957	5,904
Subsidiary purchase effect	16	-
Charge for the period (Note 19)	1,243	843
Payments during the period (-)	(739)	(229)
Reversal of provision (-)	-	(317)
As of 30 September	**6,477**	**6,201**

(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 September 2011 and 31 December 2010 are as follows:

	30 September 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 September 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 September 2011	%	31 December 2010
Eczacıbaşı Holding A.Ş.	50.62	277,476	50.62	277,476
Eczacıbaşı Yatırım Holding Ortaklığı A.Ş.	20.19	110,663	20.05	109,905
Other (listed) (*)	29.19	160,069	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 September 2011, 28.86% (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 September 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 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Domestic sales	1,111,205	359,981	975,262	325,282
Exports	15,629	4,699	5,147	1,789
Gross sales	**1,126,834**	**364,680**	**980,409**	**327.071**
Sales returns (-)	(12,523)	(3,698)	(8,338)	(3,072)
Sales discounts (-)	(382,823)	(127,630)	(266,579)	(90,792)
Other discounts	(54)	(27)	-	-
Net sales	**731,434**	**233,325**	**705,492**	**233,207**
Cost of sales (-)	(525,379)	(169,604)	(506,131)	(171,834)
Gross profit	**206,055**	**63,721**	**199,361**	**61,373**

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

Marketing, selling and distribution expenses	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Personnel expenses	35,103	10,098	33,811	11,603
Advertisement, presentation and promotion expenses	27,049	9,649	30,024	7,826
Transportation, distribution and warehousing expenses	9,840	114	8,866	1,966
Rent expenses	4,769	1,566	3,268	1,151
Depreciation and amortisation expenses	4,305	2,079	2,586	990
Representation and hosting expenses	4,089	1,401	1,716	449
Fuel, energy and water expenses	3,462	2,031	821	266
Travelling expenses	1,628	427	1,231	344
Consultancy expenses	571	158	1,627	539
Provision expense for doubtful receivables (Note 8 and 26.a)	228	(64)	922	540
Other	8,580	(3,235)	11,243	4,431
	99,624	**24,224**	**96,115**	**30,105**

(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 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Personnel expenses	28,421	7,526	27,082	8,559
Royalty expenses	16,044	5,331	14,810	5,146
Consultancy expenses	10,294	3,635	9,539	3,249
Rent expenses	3,524	1,271	2,400	871
Depreciation and amortisation expenses	2,541	122	2,652	710
Repair and maintenance expenses	1,947	872	1,155	471
Miscellaneous taxes	1,518	82	1,384	94
Provision for unused vacation (Note 16)	1,243	168	843	-
Provision for employment termination benefits	1,166	(898)	2,368	2,103
Technical service expenses	430	202	864	261
Other	6,475	3,864	3,241	1,042
	73,603	**22,175**	**66,338**	**22,506**

NOTE 20 - EXPENSES BY NATURE

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Purchase of raw materials and merchandises	450,698	132,533	445,342	156,730
Personnel expenses	99,275	39,839	79,491	27,741
Advertisement and promotion expense (Note 19)	27,049	9,649	27,357	7,325
Royalty expense (Note 19)	16,044	5,331	14,810	5,146
Cost of services	15,976	2,360	8,777	2,012
Depreciation and amortisation expense (Notes 12, 13, and 14)	15,715	5,242	14,570	4,914
Consultancy expense (Note 19)	10,865	1,849	7,870	2,563
Transportation, distribution and warehousing expenses (Note 19)	9,840	114	7,842	2,461
Rent expense (Note 19)	8,293	2,837	6,570	2,304
Changes in commercial inventories	4,773	2,063	2,555	(4,654)
Provision for employment termination benefits (Note 16)	1,648	(416)	2,363	2,098
Other	38,484	14,653	51,049	15,810
	698,660	**216,054**	**668,596**	**224,450**

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

NOTE 21 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Incomes from related parties	3,606	82	-	-
Gain from sales of fixed assets	515	164	200	64
Reversal of provisions	504	(2,712)	2,816	-
Commission income	216	72	-	-
Compensation income (*)	71	26	12,593	-
Rent income	29	29	-	-
Revenue from reversal of allowance for impairment on inventory	-	-	347	-
Other	936	4	692	37
	5,877	**(2,335)**	**16,648**	**101**

(*) 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 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Expense reflected to Group entities	4,651	1,592	-	-
Inventories destroyed	5,510	1,073	787	-
Provision expense for diminution in value of inventories (Note 10)	5,094	1,712	3,797	643
Licence transfer expense	-	-	870	-
Charitable expense	622	169	177	24
Provision expense for legal claims	438	438	-	-
Commission expense	394	42	-	-
Loss on sales of fixed assets	135	66	263	124
Others	1,404	193	1,379	495
	18,248	**5,285**	**7,273**	**1,286**

NOTE 22 - FINANCIAL INCOME

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Foreign exchange gains	111,411	54,002	33,189	141
Interest income from bank deposits	30,879	9,698	24,158	8,366
Credit finance income	7,680	3,696	5,503	1,869
Dividend income	3,970	-	-	-
Derivative instrument income	125	56	1,345	-
Fair value changes recognised in profi and loss	-	-	5	-
Other	9	9	854	-
	154,074	**67,461**	**65,054**	**10,376**

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

NOTE 23 - FINANCIAL EXPENSES

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Foreign exchange losses	29,429	8,868	56,220	12,892
Credit finance expenses	4,084	1,543	2,675	388
Derivative instrument expense	1,655	1,655	1,918	-
Fair value changes recognised in profit and loss	1,162	187	1,306	749
Interest expense from bank borrowings	723	530	2,053	742
Letter of guarantee commissions	194	42	-	-
Other	801	(98)	903	37
	38,048	**12,727**	**65,075**	**14,808**

NOTE 24 - TAX ASSETS AND LIABILITIES

a) Current income tax on profits:

	30 September 2011	31 December 2010
Corporate and income taxes payable	30,043	16,216
Prepaid taxes (-)	(18,580)	(14,914)
Current income tax liabilities (net)	**11,463**	**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.

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.

(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):

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 2011 and 2010.

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 September 2011 and 2010 are summarized below:

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Current year tax expense	(30,043)	(13,040)	(11,192)	(2,381)
Deferred tax income / (expense)	3,252	94	797	32
Total tax expenses (-)	**(26,791)**	**(12,946)**	**(10,395)**	**(2,349)**

The reconciliation as of 30 September 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 September 2011	30 September 2010
Profit before tax	128,080	52,748
Tax amount calculated by considering current tax rate	(25,616)	(10,549)
Disallowable expenses	(297)	(290)
Tax effect of exempt income	785	1,389
Items disregarded in the calculation of deferred income tax	(1,068)	(449)
Deducted previous year loss	(595)	-
Gain and loss disregarded in income statement	-	(496)
Total income tax charge (-)	**(26,791)**	**(10,395)**

(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 September 2011 and 31 December 2010 using the enacted tax rates is as follows:

	Cumulative temporary differences		Deferred income tax assets / (liabilities)	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Provision for unused vacation	(6,467)	(5,957)	1,293	1,191
Provision for employment termination benefits	(6,947)	(7,148)	1,389	1,430
Provision for doubtful receivables	(3,560)	(4,355)	712	871
Sales cut-off	(1,327)	(274)	265	55
Differences between the tax base and carrying amount of inventories	(7,883)	(8,378)	1,576	1,676
Deferred credit finance income	(1,337)	(980)	267	196
Provision for litigations	(1,032)	(338)	206	68
Tax losses carried forward	(12,918)	(158)	2,537	32
Accruals for salaries and premiums	(360)	(319)	72	64
Forward income / (expense) accruals	(1,655)	-	331	-
Other	(2,435)	(1,523)	374	302
Deferred income tax assets (**)	**(45,921)**	**(29,430)**	**9,022**	**5,885**
Fair value differences of available-for-sale financial assets (*)	1,113,882	1,114,523	(55,684)	(55,726)
Difference between the tax base and carrying amount of investment property, property, plant and equipment and intangible assets	11,481	13,935	(2,296)	(2,582)
Deferred credit finance expenses	578	605	(116)	(121)
Other	2,786	-	(139)	-
Deferred income tax liabilities (-) (**)	**1,128,727**	**1,129,063**	**(58,235)**	**(58,429)**
Deferred income tax liabilities, net	**1,082,606**	**1,099,633**	**(49,213)**	**(52,544)**

(*) Difference between fair value and book value amounts to TRL 1,113,882 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 59,194 thousand (31 December 2010: TRL 59,952 thousand) and deferred tax liability amounting to TRL 9,981 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 75 thousand (31 December 2010: TRL 238 thousand) and deferred income tax assets have not been recognised on these deductible temporary differences as of 30 September 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 September 2011 and 30 September 2010 are as follows:

	2011	**2010**
As of 1 January	(52,543)	(44,465)
Subsidiary purchase effect	36	-
Current year deferred income tax benefit	3,252	797
Deferred income tax liability accounted under equity resulting from increase in value of available-for-sale financial assets	42	(3)
As of 30 September	**(49,213)**	**(43,671)**

NOTE 25 - EARNINGS PER SHARE

	1 January - 30 September 2011	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Net income attributable to equity holders of the company	99,909	46,564	40,011	(546)
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)	**0.18**	**0.08**	**0.07**	**0.00**

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 September 2011 and 31 December 2010:

Short-term trade receivables from related parties	30 September 2011	31 December 2010
Due from shareholders		
Eczacıbaşı Holding A.Ş.	367	1,540
	367	**1,540**
Due from Joint Ventures		
EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş.	1,484	-
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	613	-
Eczacıbaşı-Baxter Hastane Ürünleri Sanayi ve Ticaret A.Ş.	260	309
Eczacıbaşı-Monrol Nükleer Ürünler Sanayi ve Ticaret A.Ş.	19	30
	2,376	**339**
Due from Associates		
Ekom Eczacıbaşı Dış Ticaret A.Ş.	547	448
Eczacıbaşı Sağlık Hizmetleri A.Ş.	14	1
Vitra Karo Sanayi ve Ticaret A.Ş.	7	38
	568	**487**
Due from other related parties		
İpek Kağıt Sanayi ve Ticaret A.Ş.	5,668	71
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	96	132
ESİ Eczacıbaşı Sigorta Acenteliği A.Ş.	29	-
Other	36	116
	5,829	**319**
	9,140	**2,685**
Provision for doubtful receivables (-) (*)	(233)	(198)
Short-term due from related parties	**8,907**	**2,487**

Average maturity of the Group's receivables from related parties is 69 days (31 December 2010: 32 days) and is amortised at 7.18% 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.

(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 September 2011 and 31 December 2010 (continued):

Short-term trade payables to related parties	30 September 2011	31 December 2010
Due to shareholders		
Eczacıbaşı Holding A.Ş.	15,157	4,567
	15,157	**4,567**
Due to Joint Ventures		
EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş.	13,917	9,726
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	1,592	1,225
	15,509	**10,951**
Due to Associates		
Eczacıbaşı Sağlık Hizmetleri A.Ş.	21	7
Ekom Eczacıbaşı Dış Ticaret A.Ş.	4	10
	25	**17**
Due to other related parties		
İpek Kağıt Sanayi ve Ticaret A.Ş.	83,042	53,719
ESİ Eczacıbaşı Sigorta Acenteliği A.Ş.	748	111
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	330	357
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	89	18
Other	59	739
	84,268	**54,944**
	114,959	**70,479**
Deferred credit finance expenses (-)	(172)	(223)
Short-term due to related parties	**114,787**	**70,256**

Average maturity of the Group's payables to related parties is 114 days (31 December 2010: 63 days) and is amortised at 7.49% per annum (31 December 2010: 6.11%).

Due to related parties		
Dividend payments		
Eczacıbaşı Holding A.Ş.	3,749	-
Other	684	-
	4,433	**-**

(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 nine months period ended 30 September:

Product sales	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Ekom Eczacıbaşı Dış Ticaret A.Ş.	1,553	477	1,949	563
Eczacıbaşı-Baxter Hastane Ürünleri San. ve Tic. A.Ş.	1,586	548	949	709
Other	25	8	11	11
	3,164	**1,033**	**2,909**	**1,283**

Service sales	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
İpek Kağıt Sanayi ve Ticaret A.Ş.	14,330	5,655	11,934	4,253
EBC Eczacıbaşı Beiersdorf Kozmetik Ürünleri Sanayi ve Ticaret A.Ş.	4,225	1,233	3,516	817
Eczacıbaşı Holding A.Ş.	8,379	5,031	1,179	132
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	3,819	1,308	391	-
Other	831	440	166	36
	31,584	**13,667**	**17,186**	**5,238**

Product purchases	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
İpek Kağıt Sanayi ve Ticaret A.Ş.	175,623	60,161	142,261	52,469
EBC Eczacıbaşı Beiersdorf Kozmetik Ürünleri Sanayi ve Ticaret A.Ş.	48,722	12,044	32,792	7,116
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Pazarlama A.Ş.	8,171	2,147	5,213	2,129
Other	1,297	519	595	218
	233,813	**74,871**	**180,861**	**61,932**

Service purchases	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	5,850	1,722	5,489	1,530
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	1,409	418	603	117
Eczacıbaşı Holding A.Ş.	1,309	407	948	315
Eczacıbaşı Spor Kulübü	177	95	1,416	138
ESİ Eczacıbaşı Sigorta Acenteliği A.Ş.	-	-	13	6
Ekom Eczacıbaşı Dış Ticaret A.Ş.	8	6	-	-
Other	619	404	474	169
	9,372	**3,051**	**8,943**	**2,275**

Financial income	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Eczacıbaşı Holding A.Ş.				
Dividend income	3,970	-	-	-
Foreign currency gain	-	-	1,699	417
Other	55	54	83	2
	4,025	**54**	**1,782**	**419**

(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 nine months period ended 30 September (continued):

Financial expenses	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Eczacıbaşı Holding A.Ş.				
Foreign Currency Loss	7	4	630	267
Interest Expense / (Income)	-	-	324	71
Ekom Eczacıbaşı Dış Ticaret A.Ş.				
Foreign Currency Loss	-	-	18	-
İpek Kağıt Sanayi ve Ticaret A.Ş.	1,210	771	-	-
Eczacıbaşı-Schwarzkopf Kuaför Ürünleri Paz. A.Ş.	48	28	-	-
EBC Eczacıbaşı Beiersdorf Kozmetik Ürn. San. ve Tic. A.Ş.	272	137	-	-
Other				
Foreign Currency Loss	18	18	1	1
	1,555	**958**	**973**	**339**

c) Other transactions with related parties for nine months period ended 30 September:

Management and royalty fees paid to related parties	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Eczacıbaşı Holding A.Ş. (*)	14,776	4,909	13,174	4,549
	14,776	**4,909**	**13,174**	**4,549**

(*) 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 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Eczacıbaşı Holding A.Ş.	2,027	676	1,881	627
Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş.	-	-	753	251
Eczacıbaşı-Baxter Hastane Ürünleri San. ve Tic. A.Ş.	559	200	518	170
İpek Kağıt Sanayi ve Ticaret A.Ş.	539	179	501	167
İntema İnşaat ve Tesisat Mlz. Yatırım ve Paz. A.Ş.	55	19	414	139
Other	381	161	495	286
	3,561	**1,235**	**4,562**	**1,640**

Rent expenses paid to related parties	**1 January - 30 September 2011**	**1 July - 30 September 2011**	**1 January - 30 September 2010**	**1 July - 30 September 2010**
Eczacıbaşı Holding A.Ş.	935	315	1,068	359
Ekom Eczacıbaşı Dış Ticaret A.Ş.	-	-	32	10
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	431	327	2	1
	1,366	**642**	**1,102**	**370**

(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 nine months ended period 30 September (continued):

Other incomes taken from related parties	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Eczacıbaşı Holding A.Ş.	2,220	628	1	-
Other	40	2	39	27
	2,260	**630**	**40**	**27**

Other expenses paid to related parties	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Eczacıbaşı Holding A.Ş.	535	349	808	199
Eczacıbaşı Bilişim Sanayi ve Ticaret A.Ş.	433	360	76	34
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	194	97	-	-
İpek Kağıt Sanayi ve Ticaret A.Ş.	72	6	-	-
Ekom Eczacıbaşı Dış Ticaret A.Ş.	7	1	141	47
Other	144	21	73	39
	1,385	**834**	**1,098**	**319**

Donations paid to related parties	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Dr. Nejat F. Eczacıbaşı Vakfı	37	2	32	25
	37	**2**	**32**	**25**

Benefits provided to top management:

Total benefits provided to key management personnel for three months period ended 30 September 2011 amounted to TRL 14,092 thousand (30 September 2010: TRL 12,765 thousand).

The Group does not have any contingent assets or liabilities caused by related party transactions as of 30 September 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 September 2011 and 31 December 2010 are as follows:

	Trade receivables from		**Other receivables from**			
30 September 2011	**Related parties**	**Other**	**Related parties**	**Other**	**Deposit in banks**	**Other (*)**
Maximum credit risk exposed as of balance sheet date (**)	**8,907**	**228,372**	**-**	**845**	**755,836**	**5,613**
- Secured portion of the maximum credit risk by guarantees	**-**	**(39,847)**	**-**	**-**	**-**	**-**
A. Net book value of financial assets that are neither past due nor impaired	6,872	179,260	-	845	755,836	-
- Secured portion by guarantees, etc.	-	(38,486)	-	-	-	-
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 (***)	2,035	49,112	-	-	-	5,613
- Secured portion by guarantees, etc.	-	(1,361)	-	-	-	-
D. Net book value of the impaired assets			-	-	-	-
- Past due (gross carrying amount)	233	6,979	-	-	-	-
- Impairment (-)	(233)	(6,979)	-	-	-	-
- 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 September 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)

	Trade receivables from		Other receivables from			
31 December 2010	**Related parties**	**Other**	**Related parties**	**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 September 2011 and 31 December 2010 are as follows:

	Trade receivables from		
30 September 2011	**Related parties**	**Other**	**Deposits in banks**
Past due up to 30 days	1,205	18,209	-
Past due 1 - 3 months	367	19,913	-
Past due 3 - 12 months	329	10,808	-
Past due 1 - 5 year (*)	134	182	5,613
	2,035	**49,112**	**5,613**
Secured portion of receivables by guarantees, etc,	**-**	**1,361**	**-**

	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 September is as follows:

	30 September 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	51,348	52,226	28,693	9,604	9,204	4,725
Trade payables due to related parties	114,787	114,959	93,058	21,901	-	-
Other trade payables	94,382	94,593	90,042	4,551	-	-
Other payables	5,718	5,718	3,882	1,836	-	-
Total non-derivative financial liabilities	**266,235**	**267,496**	**215,675**	**37,892**	**9,204**	**4,725**

	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	59,498	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 September 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 September 2011	31 December 2010
Financial instruments with fixed interest rates:		
Financial assets		
- Cash and cash equivalents	747,885	645,939
- Fair value changes recognised in to profit and loss	20	18
Financial liabilities		
- Financial liabilities	11,920	7,165
Financial instruments with variable interest rates:		
Financial liabilities		
- Financial liabilities	19,909	13,169
- Factoring liabilities	19,519	24,785

At 30 September 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 123 thousand (30 September 2010: TRL 127 thousand) higher / lower as a result of interest expenses.

At 30 September 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 27 thousand (30 September 2010: TRL 42 thousand) higher / lower as a result of interest expenses.

At 30 September 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 146 thousand (30 September 2010: TRL 64 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 September 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)	23,290	(23,290)	23,290	(23,290)
Secured position (-)	-	-	-	-
USD net effect	**23,290**	**(23,290)**	**23,290**	**(23,290)**
In case of 10% change in EUR against TRL:				
EUR net asset / (liability)	23,376	(23,376)	23,376	(23,376)
Secured position (-)	-	-	-	-
EUR net effect	**23,376**	**(23,376)**	**23,376**	**(23,376)**
In case of 10% change in other foreign exchange rates against TRL:				
Other foreign currency net asset / (liability)	1	(1)	1	(1)
Secured position (-)	-	-	-	-
Other foreign currencies net effect	**1**	**(1)**	**1**	**(1)**
	46,667	**(46,667)**	**46,667**	**(46,667)**

(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 September 2011 and 31 December 2010 in consideration of foreign exchange rates are as follows:

	30 September 2011	31 December 2010
USD	1.8453	1.5460
EUR	2.5157	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 September 2011 were as follows:

	30 September 2011			
		Original amounts		
	Total TRL equivalent	USD	EUR	Others(*)
Current assets:				
Cash and cash equivalents	517,161	140,697	102,366	4
Financial investments	1,464	782	8	-
Trade receivables	11,965	5,275	888	-
Other	23	-	9	-
	530,613	**146,754**	**103,271**	**4**
Non-current assets:				
Trade receivables	7,002	3,795	-	-
Financial investments	4,149	2,248	-	-
	11,151	**6,043**	**-**	**-**
Current liabilities:				
Financial liabilities	6,527	768	2,031	-
Trade payables	25,985	8,835	3,848	-
Other current liabilities	1,085	585	2	-
Other	14,627	7,927	-	-
	48,224	**18,115**	**5,881**	**-**
Non-current liabilities:				
Financial liabilities	13,382	1,159	4,469	-
Other non-current liabilities	13,490	7,311	-	-
	26,872	**8,470**	**4,469**	**-**
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	**466,668**	**126,212**	**92,921**	**4**
Fair value of currency derivatives held for hedging	**-**	**-**	**-**	**-**
Net position of off-balance sheet contingent assets and liabilities				
Guarantees and pledges taken	8,116	3,347	771	-
Guarantees and pledges given	140	76	-	-
Exports	11,877	5,972	970	8
Imports	141,343	49,932	22,089	10,301

(*) 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.

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

NOTE 28 - SUBSEQUENT EVENTS

In the extraordinary General Assembly meeting of the Company held on 3 November 2011, 4th Article "Purpose and Subject" of the Articles of Association has been unanimously changed based on the alteration text as approved by Capital Markets Board's decision No 9019 dated on 26 September 2011 and Republic of Turkey Ministry of Customs and Trade's decision No 1393 dated on 5 October 2011 and the registration process is still in progress.

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 September 2011, the Company announced in investor relations news, that collection of compulsory application information is in progress.

In the context of IFRS 3, the Group's joint venture, Monrol Nükleer Sanayi ve Ticaret A.Ş., acquired 99.999947% of shares of Moleküler Görüntüleme Ticaret ve Sanayi A.Ş. as of 29 July 2011 for an amount of TRL 8,399,995. The computation of the goodwill arose as result of this acquisition is presented below. This initial computation made based on the provisional amounts will be completed within twelve months following the acquisition date and if required, the goodwill will be adjusted from the acquisition date.

	Carrying Value	**Fair Value**
Current assets	211	211
Non-current assets	3,455	3,455
Current liabilities	(1,052)	(1,052)
Non-current liabilities	(529)	(529)
Total net assets	**2,085**	**2,085**
Total consideration		8,400
29 July 2011, Goodwill (total)		**6,315**
The Group's participation rate to joint venture		49.998%
29 July 2011, Goodwill (the Group's share)		**3,157**

Net cash paid for the acquisition of subsidiary	
Cash consideration (the Group's share)	4,200
Cash and cash equivalents received (the Group's share)	(22)
Net cash outflow (the Group's share)	**4,178**

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