İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA ANONİM ŞİRKETİ

TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS AS OF 31 DECEMBER 2010

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Intema İnşaat ve Tesisat Malzemeleri
Yatırım ve Pazarlama Anonim Şirketi

We have audited the accompanying financial statements of İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama Anonim Şirketi ("the Company") which comprise the balance sheet as at 31 December 2010, and the statement of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing standards announced by the Capital Market Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2010, and of their financial performance and cash flows for the year then ended in accordance with the financial reporting standards announced by the Capital Markets Board.

Other Matter

The audit of the Company's financial statements for the year ended 31 December 2009 was performed by another audit company. The previous audit company has expressed an unqualified opinion on the financial statements as at 31 December 2009 that there was nothing to come to their attention that caused them to believe that the financial statements did not present fairly, in all material respects, in accordance with financial reporting standards issued by Capital Markets Board signed on 12 March 2010.

İstanbul, 11 March 2011

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

Ali ÇİÇEKLİ
Partner

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İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA A.Ş.

BALANCE SHEET
AS AT 31 DECEMBER 2010
(Amounts expressed in Turkish Lira (TL))

	Notes	Current Period 31 December 2010	Previous Period 31 December 2009
ASSETS			
Current Assets		**96.517.887**	**94.026.971**
Cash and Cash Equivalents	4	2.379.707	13.311.404
Trade Receivables		84.649.693	69.982.428
-Due from Related Parties	25	810.343	782.689
-Other Trade Receivables	6	83.839.350	69.199.739
Other Receivables	7	32.036	1.858.558
Inventories	8	7.890.798	6.434.324
Other Current Assets	14	1.565.653	943.698
Assets Classified as Held for Sale	10	-	1.496.559
Non-Current Assets		**29.535.317**	**22.953.275**
Other Receivables	7	25.254	19.414
Financial Investments	5	19.003.708	16.343.083
Tangible Assets	9	7.869.459	4.689.051
Intangible Assets	11	2.008.725	1.497.202
Deffered Tax Assets	23	433.107	345.033
Other Non-Current Assets	14	195.064	59.492
TOTAL ASSETS		**126.053.204**	**116.980.246**

İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA A.Ş.

BALANCE SHEET
AS AT 31 DECEMBER 2010
(Amounts expressed in Turkish Lira (TL))

LIABILITIES	Notes	Current Period 31 December 2010	Previous Period 31 December 2009
Current Liabilities		**105.577.495**	**96.844.355**
Trade Payables		91.397.705	90.222.274
-Due to Related Parties	25	87.017.485	85.211.504
-Other Trade Payables	6	4.380.220	5.010.770
Other Payables	7	1.065.455	1.082.447
Provisions for Employee Benefits	13	1.271.995	1.282.698
Other Current Liabilities	15	682.768	741.930
Order Advances Received	15	11.159.572	3.515.006
Non-Current Liabilities		**3.514.354**	**2.347.844**
Provisions for Employee Benefits	13	1.428.577	1.159.475
Other Non-Current Liabilities	15	2.085.777	1.188.369
EQUITY		**16.961.355**	**17.788.047**
Share Capital	16	4.860.000	4.860.000
Adjustments to Share Capital	16	47.440.914	47.440.914
Revaluation Funds	16	11.163.770	8.636.175
Restricted Legal Reserves	16	115.994	115.994
Accumulated Losses	16	(43.265.036)	(42.303.361)
Net Loss for the Year		(3.354.287)	(961.675)
TOTAL LIABILITIES AND EQUITY		**126.053.204**	**116.980.246**

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

İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA A.Ş.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in Turkish Lira (TL))

	Notes	Current Period 1 January- 31 December 2010	Previous Period 1 January- 31 December 2009
Revenue	17	384.443.554	328.532.631
Cost of sales (-)	17	(340.370.025)	(289.372.178)
Gross Profit		**44.073.529**	**39.160.453**
Marketing, sales and distribution expenses (-)	18	(36.157.359)	(31.095.697)
Administrative expenses (-)	18	(12.895.244)	(9.393.715)
Other income	20	1.794.012	1.333.141
Other expenses (-)	20	(665.002)	(595.100)
Operating loss		**(3.850.064)**	**(590.918)**
Finance income	21	6.116.685	5.217.885
Finance expenses (-)	22	(5.842.012)	(5.679.337)
Loss before tax		**(3.575.391)**	**(1.052.370)**
Income tax benefit/(expense)			
Deferred tax benefit	23	221.104	90.695
Net loss for the year		**(3.354.287)**	**(961.675)**
Diluted loss per share		(0,6902)	(0,1979)

İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA A.Ş.

STATEMENT OF COMREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in Turkish Lira (TL))

	Current Period 1 January- 31 December 2010	**Previous Period 1 January- 31 December 2009**
Net loss for the year	**(3.354.287)**	**(961.675)**
Other comprehensive income :		
Gains from available-for-sale financial assets fair value reserve	2.660.625	10.006.965
Income tax benefit/(expense) relating to components of other comprehensive income	(133.030)	(454.536)
Other comprehensive income	**2.527.595**	**9.552.429**
Total comprehensive income/(loss) for the year	**(826.692)**	**8.590.754**

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

İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA A.Ş.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in Turkish Lira (TL))

	Share Capital	Adjustments to Share Capital	Revaluation Funds	Restricted Legal Reserves	Accumulated Losses	Net Loss for the Year	Total Equity
Balance at 1 January 2009	**4.860.000**	**47.440.914**	**(916.254)**	**115.994**	**(42.012.150)**	**(291.211)**	**9.197.293**
Transfers	-	-	-	-	(291.211)	291.211	-
Total comprehensive gain / (loss)	-	-	9.552.429	-	-	(961.675)	8.590.754
Balance as at 31 December 2009	**4.860.000**	**47.440.914**	**8.636.175**	**115.994**	**(42.303.361)**	**(961.675)**	**17.788.047**
Transfers	-	-	-	-	(961.675)	961.675	-
Total comprehensive gain / (loss)	-	-	2.527.595	-	-	(3.354.287)	(826.692)
Balance as at 31 December 2010	**4.860.000**	**47.440.914**	**11.163.770**	**115.994**	**(43.265.036)**	**(3.354.287)**	**16.961.355**

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

İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA A.Ş.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in Turkish Lira (TL))

	Notes	1 January- 31 December 2010	1 January- 31 December 2009
A. Cash Flows from Operating Activities			
Net loss for the year		**(3.354.287)**	**(961.675)**
Adjustments:			
Taxes	23	(221.104)	(90.695)
Depreciation and amortisation expenses		2.923.787	2.305.919
Increase in provision for employment termination benefits	13	779.212	989.359
Increase/(decrease) in unused vacation liability		580.723	(34.646)
Gain on sales of tangible assets	20	(199.031)	(33.714)
Loss on sales of tangible assets	20	26.585	81.947
Interest income	21	(119.682)	(682.061)
Deferred credit finance income	6,25	697.603	819.645
Deferred credit finance expense	6,25	(763.316)	(1.046.888)
Provision for impairment of inventories	8	219.488	-
Allowances for doubtful receivables	6	1.090.835	558.223
Operating profit before changes in working capital		**1.660.813**	**1.905.414**
Increase in trade receivables	6	(16.381.523)	(2.745.860)
(Increase)/decrease in inventories	8	(1.675.962)	3.148.371
Assets classified as held for sale		-	(1.496.559)
(Increase)/decrease in other receivables and assets		1.095.752	(555.899)
(Decrease)/increase in trade payables	6	(624.864)	(314.206)
Increase in other receivables		7.874.394	1.628.868
Increase in due to related parties		2.563.611	15.045.109
Decrease in due from related parties	25	(74.180)	(2.978.358)
Cash (used in)/provided by operations		**(5.561.959)**	**13.636.880**
Taxes paid	23	(32.597)	(246.339)
Termination indemnities paid	13	(510.110)	(886.257)
Cash (used in)/provided by operations		**(6.104.666)**	**12.504.284**
B. Cash Flows from Investing Activities			
Purchases of tangible assets	9	(5.373.897)	(1.597.979)
Purchases of intangible assets	11	(1.311.736)	(918.010)
Proceeds from sale of tangible assets		242.361	287.075
Proceeds from assets held for sale		1.496.559	-
Net cash used in investment activities		**(4.946.713)**	**(2.228.914)**
C. Cash Flows from Financing Activities			
Interest received		119.682	682.061
Repayment of financial liabilities		-	(261.173)
Net cash provided by financing activities		**119.682**	**420.888**
Net (decrease)/increase in cash and cash equivalents		**(10.931.697)**	**10.696.258**
Cash and cash equivalents at the beginning of the period	4	**13.311.404**	**2.615.146**
Cash and cash equivalents at the end of the period	4	**2.379.707**	**13.311.404**

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

(Amounts expressed in Turkish Lira (TL))

1- ORGANIZATION AND NATURE OF OPERATIONS

İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş. ("İntema" or "the Company") was established in 1978. Its main subject of business is marketing and selling products of Eczacıbaşı Yapı Group in Turkey alongside providing products and a whole range of services commencing from projection and planning, orientation and sophisticated presentation, exhibition, consultancy, sales and after-sales services for the renovated bathrooms and kitchens market.

The Company is registered in Turkey and the address of the registered office is as follows:

Büyükdere Caddesi Ali Kaya Sk. No: 7
Levent / İstanbul / Türkiye

The company is registered in the Capital Markets Board ("CMB") and its shares been quoted on the Istanbul Stock Exchange ("ISE") since 16 March 1990. 48,52% of the Company's shares are quoted on the ISE as of 31 December 2010.

The Company's total number of employees between in 31 December 2010 and 31 December 2009:

	31 December 2010	31 December 2009
Wholesale	167	124
Retail	117	89
Other	12	84
	296	297

The accompanying financial statements for the period 1 January-31 December 2010 have been approved by the Board of Directors of the Company as at 11 March 2011.

2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

The Company and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and Tax Legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in the currency of their registered countries and in accordance with the prevailing accounting principles in their registered countries.

The Capital Markets Board ("CMB") has established principles, procedures and basis on the preparation of financial reports by enterprises and the representation of the reports with Communiqué Series XI, No: 29 "Communiqué on Capital Market Financial Reporting Standards". This Communiqué is applicable for the first interim financial statements to be prepared after 1 January 2008 and with this Communiqué, the Communiqué Series XI, No:25 "Communiqué on Capital Market Accounting Standards" has been repealed. In accordance with this Communiqué, the companies are supposed to prepare their financial statements in accordance with the International Financial Reporting Standards ("IAS/IFRS") accepted by the European Union. Nevertheless, until the discrepancies between the IAS/IFRS accepted by the European Union, and the IAS/IFRS declared by IASB are announced by the Turkish Accounting Standards Board ("TASB"), IAS/IFRS will be in use. Under these circumstances, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS"), which are the standards published by TASB, not contradicting with IAS/IFRS will be predicated on.

The companies are supposed to prepare their financial statements with Communiqué Series XI, No: 29 "Communiqué on Capital Market Financial Reporting Standards" in accordance with the International Financial Reporting Standards ("IAS/IFRS") accepted by the European Union until the discrepancies between the IAS/IFRS accepted by the European Union, and the IAS/IFRS declared by IASB are announced by the TASB, IAS/IFRS will be in use. The accompanying consolidated financial statements have been prepared in accordance with IFRS and comply with CMB's decree announce on 17 April 2008 and 9 January 2009 regarding the format of the financial statements and footnotes.

2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of presentation (cont'd)

Financial statements have been prepared on historical cost basis principal except the financial investments which are presented from their reasonable value.

Reporting Currency

The financial statements of the Company is prepared in accordance with the prevailing currency (functional currency) in the economic environment in which they operate.

CMB, with its resolution dated 17 March 2005 and 11/267 numbered law declared that companies operating in Turkey which prepare their financial statements in accordance with CMB Accounting Standards, effective 1 January 2005, will not be subject to the application of inflation accounting. Consequently, in the accompanying financial statements, IAS 29 "Financial Reporting in Hyperinflationary Economies" was not applied since 1 January 2005.

Comparative information

Financial statements of the Company have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, financial statements of the prior periods are also reclassified in line with the related changes.

There are some reclassification changes made to comparative figures in the financial statements for the current period in order to provide consistency, which are follows:

- Other Expenses: " Provision expense for doubtful receivables" amounting to TL 558.223 which was previously presented in "Other expenses" in the income statement for the year ended 31 December 2009 has been reclassified to "General administrative expenses" at the comparative comprehensive income statement and comperative financial statements for the year ended 31 December 2010.
- Provisions: "Unused vacation accrual" amounting to TL 691.272 which was previously presented in "Provisions" in the balance sheet as at 31 December 2009 have been reclassified to "Short term employee benefit provision" in the balance sheet and comparative financial statement for the year 31 December 2010.
- Other Short-Term Liabilities : "Taxes, duties, charges and premiums payable" and "Social security premiums payable" amounting to TL 740.309 and TL 342.139, respectively, included in "Other short term liabilities" in the balance sheet at 31 December 2009 have been reclassified to "Other Payables" at the balance sheet and comparative financial statement presented as at 31 December 2010.
- Other Short Term Receivables : "Due from personnel and work advances" amounting to TL 62.791 included in "Other short term receivables" in the balance sheet at 31 December 2009 have been reclassified to "Other Current Assets" at the balance sheet and comparative financial statement presented as at 31 December 2010.
- Other expenses: "Termination Indemnities Expenses" amounting to TL 989.359 included in "Other expenses" in the balance sheet at 31 December 2009 have been reclassified to "General Administrative Expenses" at the comparative comprehensive income statement and comprative financial statement presented as at 31 December 2010.
- Other Short Term Liabilities: "Due to personnel" amounting to TL 591.426 included in "Other Short Term Liabilities" in the balance sheet at 31 December 2009 have been reclassified to "Short term employee benefit provision" at the balance sheet and comparative financial statement presented as at 31 December 2010.

2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of presentation (cont'd)

Comparative information (cont'd)

- Other Current Assets: "Advances Given" amounting to TL 1.105.076 included in "Other Current Assets" in the balance sheet at 31 December 2009 have been netted off with "Trade Payables" at the balance sheet and comparative financial statement presented as at 31 December 2010.

The above-mentioned classifications does not have any effect on the Company's net income / (loss).

Offsetting

Financial assets and liabilities are offset when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Consolidation principles

The Company does not have any subsidiary that are subject to consolidation.

Going concern

Financial statements have been prepared in accordance with the principle of going concern.

Segment reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The board of directors are designated as the chief operating decision maker.

2.2 Adoption of New and Revised Standards

The following new and revised IFRSs and interpretations have been adapted to the current period and have had impact on the amounts reported in these consolidated financial statements and disclosures. The details of other standards and comments have been adopted to these consolidated financial statements but not have had any impact on the amounts reported for the current period are described later in this section.

(a) New and Revised IFRSs affecting presentation and disclosure only

Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (as part of Improvements to IFRSs issued in 2009)	The amendments to IFRS 5 clarify that the disclosure requirements in IFRSs other than IFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those IFRSs require (a) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (b) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5 and the disclosures are already provided in the financial statements. Footnotes to the above description has been updated to reflect the Company's financial statements.

(Amounts expressed in Turkish Lira (TL))

2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 Adoption of New and Revised Standards (cont'd)

(a) New and Revised IFRSs affecting presentation and disclosure only (cont'd)

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 Company has applied the amendments in advance of their effective date (annual periods beginning on or after 1 January 2011). The amendments have been applied retrospectively

(b) Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Company

Amendments to IAS 7 *Statement of Cash Flows* (as part of Improvements to IFRSs issued in 2009)	The amendments to IAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. The application of the amendments to IAS 7 has resulted in a change in the presentation of cash outflows in respect of development costs that do not meet the criteria in IAS 38 *Intangible Assets* for capitalisation as part of an internally generated intangible asset. This change has not been applied, since the Company does not have any development costs.

IFRS 3 (revised in 2008) Business Combinations

IFRS 3 (revised), "Business Combinations" and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates", amd IAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisiton date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The main impact of the adoption is as follows :

a) to allow a choise on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as "minority" interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquire.

b) to change recognition and subsequent accounting requirements for contingent consideration.

c) to require that acquisiton-related costs be accounted for separately from the business combination, generally leading to those costs being recognized as an expense in profit or loss as incurred.

d) in step acquisitions, previously held interests are to be remeasured to fair value at the date of the subsequent acquisition with the value included in goodwill calculation. Gain or loss arising from the re-measurement shall be recognized as part of profit or loss.

e) IFRS 3 (2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the company and the acquiree.

The related amendment has no effect for the Company as there no business combination in the current period.

2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 Adoption of New and Revised Standards (cont'd)

(b) Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Company (cont'd)

IAS 27 (revised in 2008) Consolidated and Separate Financial Statements

The application of IAS 27 (2008) has resulted in changes in the Company's accounting policies for changes in ownership interests in subsidiaries.

Specifically, the revised Standard has affected the Company's accounting policies regarding changes in ownership interest in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in IFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisiton of subsdiaries, with goodwill or a bargain purchase gain being recongised, when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under IAS 27 (2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires the Company to derecongise all assets, liabilities and non-controlling interests at their carrying amount and to recongise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recongises as a gain or loss in profit or loss.

The related amendment has no effect for the Company as the Company does not have any subsidiaries.

IAS 28 (revised in 2008) Investments in Associates

According to the changes in IAS 28 (2008), when significant influence over an associate is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

As part of Improvements to IFRSs issued in 2010, IAS 28 (2008) has been amended to clarify that the amendments to IAS 28 regarding transactions where the investor loses significant influence over an associate should be applied prospectively. The related amendment has no effect for the Company as the Company does not have any investments in associates.

IFRIC 17, "Distributions of non-cash assets to owners", effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Company, as it has not made any non-cash distributions.

IFRIC 18, "Transfers of assets from customers", effective for transfer of assets receieved on or after 1 July 2009. This is not relevant to the Company, as it has not received any assets from customers.

"Additional exemptions for first-time adopters" (Amendment to IFRS 1) was issued in July 2009. The amendments are required to be applied for annual periods beginning on or after 1 January 2010. This is not relevant to the Company, as it is an existing IFRS prepear.

2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 New and Revised IFRSs in issue but not yet effective (cont'd)

(b) Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Company (cont'd)

IFRS 2, "Share-based Payments- Group Cash-settled Share Payment Arrangements" is effective for annual periods beginning on or after 1 January 2010. This is not currently applicable to the Company, as the Company does not have share-based payment plans.

Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*): clarify that all the assets and liabilities of a subsidiary should be classified as held for sale when the Company is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Company will retain a non-controlling interest in the subsidiary after the sale.

Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The improvements cover 12 main standards/interpretations as follws: IFRS 2 Share-based Payments, IFRS 5 Non-current Assets Held for Sale and discontinued Operations, IFRS 8 Operating Segments, IAS 1 Presentation of Financial Statements, IAS 7 Statement of Cash Flows, IAS 17 Leases, IAS 18 Revenue, IAS 36 Impairment of Assets, IAS 38 Intangible Assets, IAS 39 Financial Instruments Recognition and Measurement, IFRIC 9 Reassessment of Embedded Derivatives, IFRIC 16 Hedges of Net Investment in a Foreign Operation. The effective dates vary standard by standard but most are effective 1 January 2010.

(c) The following new standards, new interpretations and amendments to standards and interprations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted

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 fair value disclosures.

On 20 December 2010, IFRS 1 is amended to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occured before their date of transition to IFRSs and to provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statemetns 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 Company, as it is an existing IFRS prepear.

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 to 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 anual periods beginning on or after 1 July 2011. The company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 New and Revised IFRSs in issue but not yet effective (cont'd)

IFRS 9 Financial Insturments: Classification and Measurement

In November 2009, the firs part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 *Financial Insturements: 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 Company 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 deffered 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 *Investments Property*. The amendment provides a practical solutiıon 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 company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

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. The Company has not yet had an opportunity to consider the potential impact of the adoption of this revised standard. .

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 adress to accounting for rights issues (rights, options and 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 conditons are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The Company has not yet had an opportunity to consider the potential impact of the adoption of this amendment to the standard.

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 are pre-payments made. The Company does not expect any impact of the adoption of this amendment on the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 Adoption of New and Revised Standards (cont'd)

IFRIC 19 Extinguishing Financial Liabilites with Equity Instruments

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 adresses only the accounting by the entitiy that issues equity instruments in order to settle, in full of part, a financial liability. The Company has not yet had an opportunity to consider the potential impact of the adoption of this amendment to the standard.

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 7 main standards/intepretations as follow: IFRS 1 *First-Time Adoption of International Financial Reporting Standards*, IFRS 3 *Business Combinations*; IFRS 7 *Financial Instruments: Disclosures*; IAS *1 Presentation of Financial Statments*; IAS 27 *Consolidated and Seperate 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 are allowed. The Company has not yet had an opportunity to consider the potential impact of the adoption of these amendments to the standards.

2.3 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid assets, whose maturity at the time of purchase is less than three months (Note 4)

Trade receivables and provision for doubtful receivables

Trade receivables that are originated by the Company by way of providing goods or services directly to a debtor are carried at amortised cost using the effective interest method. Short-term trade receivables with no stated interest rate are measured at original invoice amount.

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income (Note:6).

Related Parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by/or affiliated with them, joint ventures and subsidiaries are considered and referred to as related parties.

(Amounts expressed in Turkish Lira (TL))

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Credit finance income/expenses

Credit finance income/expenses represent imputed finance income/expenses on credit sales and purchases. Such income/expenses are recognised as financial income or expenses over the term of credit sale and purchases, and included under financial income and expenses (Notes 21 and 22).

Inventories

Inventories are valued at the cost or net realisable value. Cost elements included in invetories are materials, labour and an appropriate amount of factory overhads. The cost of invetories is determined using the weighted moving average methods. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. Dimunitions in net realizable value are reflected to the cost of sales in the period in which they occur. Unusable inventories have been written off from the records.

Property, plant and equipment

Property, plant and equipment acquired prior to 31 December 2004 are carried at acquisition costs adjusted for inflation; whereas those purchased after 2004 are carried at acquisition costs less accumulated depreciation. Depreciation is provided using the straight-line method based on the estimated useful lives of the assets.

Property and plant are not subject to amortization because of the indefinite usefullife.

	Useful Life
Machinery and equipment	4-15 year
Furniture and fixtures	4-15 year
Motor Vehicles	4 year
Leasehold improvements	2-15 year

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset‟s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset‟s fair value less costs to sell and value in use. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis

Intangible fixed assets

Intangible fixed assets include software and information systems.Net book values of these intangible fixes assets are presented with purchasing power of adjusted acquisition cost at 31 December 2004 for acquired before 1 January 2005 but for the acquired after 1 January 2005,they are presented with net book value after the deducting of accumulated amortisation and impairment of adjusted acquisition cost.Intangible fixes assets amortised with straight-line method over the expected useful life for a 15 year after the acquisition date.

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Financial Assets

(i) Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest method less impairment, with revenue recognized on an effective yield basis. (Note 5).

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortized cost using the effective interest method less any impairment.

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

(ii) Measurement

Financial investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at fair value through profit or loss.

(iii) Recognition

Financial assets at fair value through profit or loss and available-for-sale financial assets are recongized on the date when the commitment for sale of these assets occurred. After that date changes in fair value of financial assets at fair value through profit or loss are recognized in profit or loss; changes in faır value of available-for-sale financial assets, unless they are deemed to be temporary, are recognized in equity.Held-to-maturity investments and operating capital loans are recongized on the date when they are transferred to the Company. In the following periods after the changing principal payments are subtracted from the discounted cost, they are recognized in profit or loss.

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Financial Assets (cont'd)

(iv) Measurement principles of fair value

The fair value of financial instruments, which is not written down on the reporitng date is determined by reference to the market value. If there is not available market value, it is determined by pricing models or discounted cash flows analysis. However, valuation techniques for fair value does not always reflect the derived cost in current market conditions because it is required to find estimated fair value based on reliable source.

(v) Changes in fair values

Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

(vi) Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets at fair value through profit or loss and available-for-sale financial assets are derecognized by the Company on the date it has committed to selling and respective receivables are simutaneously recognised on the same date. The Company's loans, receivables and held-to-maturity investments are derecognized on the date they are trasferred to the counterparty.

Corporate income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Corporate income tax (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Revenue recognition

Sales activities of the wholesale and retail departments of the Company, product sales and kitchen sales activities are sales services. Revenue, goods and services include invoiced amounts. Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods or services is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company or the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from services is recognized in proportion to the stage of completion. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Net sales are calculated after the sales returns and sales discounts are deducted. When a sales arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

Foreign currency transactions

Foreign currency transactions are recorded at the effective buying exchange rates of the Central Bank of Turkey prevailing on the dates of transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on settlement and translation of foreign currency items are included in the statements of income.

Employee benefits / Retirement Pay Provision

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 "Employee Benefits" ("IAS 19"). The retirement benefit liability recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses through the statement of income. All actuarial gains and losses are recognized in the statement of income.

Provisions, contingent liabilities and contigent assets

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. (Note 12).

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Provisions, contingent liabilities and contigent assets (cont'd)

A possible obligation or possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity should not be recognized as a contingent liability or contingent asset in the financial statements.

Related parties

For the purpose of these financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and reffered to as related parties (Note 25).

Earnings per share

Earnings per share disclosed in the accompanying condensed statement of income is determined by dividing net income by the weighted average number of shares in existence during the period concerned.

In Turkey, companies can raise their share capital by distributing "bonus shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Actual earnings per share is determined by dividing net income distributable to shareholders by the weighted average number of disposed ordinary shares (Note 24).

Statement of cash flows

Current period statements of cash flows are categorized and reported as operating, investing and financing.

Cash flows from operating activities show that cash flows provided from Company's operating activivites. Cash flows from investing activities summarize the Company's cash flows used in or generated from investing activities (fixed and financial investments).

Cash flows from financing activities summarize the Company's cash flows from liabilities and the repayments of these liabilities benefited in financing needs of the Company. Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.4 Important accounting estimates and assumptions

Net realizable value of inventory

As stated above (Note 2.2), inventories are valued at the cost or net realisable value. The Company's management determined that, cost of inventories is lower than its' net realizable value as of 31 December 2010. Management estimated selling price in the ordinary course of business, less the cost of completion and selling expenses for the calculation of impairment.

As of 31 December 2010, some inventories have been in stocks for a long time and for the related inventories, TL 559.540 (31 December 2009: TL 380.052) amount of provision for decrease in value of inventory is determined. Amount is accounted within the cost of goods sold (Note 8).

(Amounts expressed in Turkish Lira (TL))

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4 Important accounting estimates and assumptions (cont'd)

Deferred Taxes

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes. Partially or completely recoverable amount of deferred tax assets estimate under the current situation. During the assessment process, future income projections, current period loss, expiration date of unused accumulated loss and other tax assets and tax planning strategies are considered. Based on the weight of all available evidence, it is the Company's belief that taxable profit will be available sufficient to utilize all of these deferred tax assets, therefore all of the deferred tax assets are recognized.

3 - SEGMENT REPORTING

As of 31 December 2010, wholesales and retail are the Company's two major operating segments.

Majority of other group activities comprise production of kitchen materials, design and installation services and other imported goods that are sold through existing chains. These other activities are reclassified to other because they are not distinguishable operating segmentss on their own.

Segmental depreciation, amortization and capital expenditures as of 31 December 2010 and 2009 are as follows:

1 January - 31 December 2010	**Operating segment**			
	Wholesale	**Retail**	**Other**	**Total**
Capital expenditures	3.563.535	2.598.859	523.239	6.685.633
Depreciation and amortisation	(1.910.919)	(860.648)	(152.220)	(2.923.787)
1 January - 31 December 2009	**Operating segment**			
	Wholesale	**Retail**	**Other**	**Total**
Capital expenditures	1.236.588	822.884	456.517	2.515.989
Depreciation and amortisation	(1.109.567)	(850.686)	(345.666)	(2.305.919)

(Amounts expressed in Turkish Lira (TL))

3 - SEGMENT REPORTING (cont'd)

Segmental results as of 31 December 2010 are as follows:

	Operating segment			
	Wholesale	**Retail**	**Other**	**Total**
Revenue	323.053.220	57.067.527	4.322.807	384.443.554
Cost of sales	(298.183.351)	(39.163.776)	(3.022.898)	(340.370.025)
Gross profit	**24.869.869**	**17.903.751**	**1.299.909**	**44.073.529**
Operating expenses	(27.391.905)	(20.024.971)	(1.635.727)	(49.052.603)
Other operating income	1.326.431	315.145	152.436	1.794.012
Other operating expenses	(379.767)	(262.345)	(22.890)	(665.002)
Operating loss	**(1.575.372)**	**(2.068.420)**	**(206.272)**	**(3.850.064)**
Finance income	5.840.168	259.278	17.239	6.116.685
Finance expenses	(5.201.424)	(637.407)	(3.181)	(5.842.012)
Loss before tax	**(936.628)**	**(2.446.549)**	**(192.214)**	**(3.575.391)**
Tax expense				221.104
Net loss for the period				**(3.354.287)**

Segmental results as of 31 December 2009 are as follows:

	Operating segment			
	Wholesale	**Retail**	**Other**	**Total**
Revenue	269.443.090	37.180.881	21.908.660	328.532.631
Cost of sales	(250.504.034)	(24.310.529)	(14.557.615)	(289.372.178)
Gross profit	**18.939.056**	**12.870.352**	**7.351.045**	**39.160.453**
Operating expenses	(18.882.208)	(14.348.810)	(7.258.394)	(40.489.412)
Other operating income	1.315.641	10.317	7.183	1.333.141
Other operating expenses	(558.016)	(29.341)	(7.743)	(595.100)
Operating loss	**814.473**	**(1.497.482)**	**92.091**	**(590.918)**
Finance income	4.669.500	542.910	5.475	5.217.885
Finance expenses	(3.061.124)	(887.763)	(1.730.450)	(5.679.337)
Loss before tax	**2.422.849**	**(1.842.335)**	**(1.632.884)**	**(1.052.370)**
Tax expense				90.695
Net loss for the period				**(961.675)**

(Amounts expressed in Turkish Lira (TL))

4 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2010 and 31 December 2009 is as follows:

	31 December 2010	31 December 2009
Cash on hand	34.827	44.138
Cash on bank	2.344.880	13.267.266
Demand deposits	2.344.880	3.635.266
Less: time deposits with maturity of less than three months	-	9.632.000
	2.379.707	13.311.404

As of 31 December 2010, the Company does not have any time deposits (31 December 2009: interest rate of time deposit is 8,70 % and maturity is 1 December 2010).

As of 31 December 2010, the Company's "Direct Collection System" caused deposits at banks to be blocked for two days at most, amounting in total to TL 1.331.951 (31 December 2009: TL 1.872.850).

5 - FINANCIAL ASSETS

Financial assets, non-current	Share (%)	31 December 2010	Share (%)	31 December 2009
Held for trading investments	5,48	18.995.625	5,48	16.335.000
Trading investments valued by cost method for inactive	0,25	8.083	0,25	8.083
		19.003.708		16.343.083

	31 December 2010	
Available for sale financial assets	**Fair Value**	**Carrying Value**
Common Stocks ("SHFY")	18.995.625	7.244.290
	18.995.625	7.244.290

	31 December 2009	
Available for sale financial assets	**Fair Value**	**Carrying Value**
Common Stocks	16.335.000	7.244.290
	16.335.000	7.244.290

(Amounts expressed in Turkish Lira (TL))

5 - FINANCIAL ASSETS (cont'd)

Listed Entities	31 December 2010	31 December 2009
Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş.	18.995.625	16.335.000
	18.995.625	16.335.000

Not Listed Entities	31 December 2010	31 December 2009
Eczacıbaşı Sigorta Acenteliği A.Ş. (*)	8.083	8.083
	8.083	8.083

(*)As of 31 March 2011 Eczacıbaşı Sigorta Acenteliği A.Ş. is disclosed in the financial investments at acquisiton cost adjusted for inflation as at 31 December 2004 since there is no active market value.

6 - TRADE RECEIVABLES AND PAYABLES

The analysis of trade receivables at 31 December 2010 and 31 December 2009 is as follows:

Current trade receivables	31 December 2010	31 December 2009
Trade receivables	58.136.566	56.011.839
Notes receivables	31.749.736	18.338.991
Deferred financial income (-)	(651.077)	(788.826)
Provisions for doubtful trade receivables (-)	(5.395.875)	(4.362.265)
	83.839.350	69.199.739

The Company's trade receivables have an average maturity date of 3 months (31 December 2009: 3 months) and effective annual discount rate of 7,6 % is applied to the trade receivables(31 December 2009: 8,61%).

As of 31 December 2010 the Company charges interest of 2% to its distributors on past due receivables (31 December 2009: 2%).

The movement of the Company's allowance for doubtful receivables is as follows:

Movement of allowance for doubtful receivables	1 January- 31 December 2010	1 January- 31 December 2009
Opening balance	(4.362.265)	(3.816.317)
Provision for the year (Note 19)	(1.090.835)	(558.223)
Collections	57.225	12.275
Closing balance	(5.395.875)	(4.362.265)

As of 31 December 2010 the Company's past due trade receivables amounting to TL 6.795.475 have not been impaired (31 December 2009: TL 5.970.565). As of 31 December 2010, the Company has taken under guarantee out of the above mentioned amount trade receivables in the amount of TL 2.826.533 due from distributors, having agreement with banks about credit limits, through letter of guarantee, guarantee notes, guarantee cheques and mortgages(31 December 2009: TL 2.108.048).

(Amounts expressed in Turkish Lira (TL))

6 - TRADE RECEIVABLES AND PAYABLES (cont'd)

As of 31 December 2010 and 31 December 2009, the details of trade payables are as follows:

Current trade payables	**31 December 2010**	**31 December 2009**
Trade payables	4.385.906	5.020.938
Deferred financial expenses (-)	(5.686)	(10.168)
	4.380.220	5.010.770

The Company's trade payables have an average maturity date of less than 4 months (31 December 2009: 4 months) and effective annual discount rate of 7,08% is applied to the trade payables (31 December 2009: 7,40%).

7 - OTHER RECEIVABLES AND PAYABLES

Other current receivables	**31 December 2010**	**31 December 2009**
Other Receivables	32.036	16.116
Guarantess given to tribunal (*)	-	1.522.521
VAT receivable	-	319.921
	32.036	1.858.558

Other non-current receivables	**31 December 2010**	**31 December 2009**
Deposits and guarantees given (long term)	25.254	19.414
	25.254	**19.414**

Other current liabilities	**31 December 2010**	**31 December 2009**
Taxes and dues payable	668.315	740.308
Social security premiums payable	379.975	342.139
Other liabilities	17.165	-
	1.065.455	1.082.447

(*) Guarantees given to the courts contain guarateed bill for collection of doubtful receivables.

(Amounts expressed in Turkish Lira (TL))

8- INVENTORIES

The analysis of inventories at 31 December 2010 and 31 December 2009 is as follows:

	31 December 2010	**31 December 2009**
Trade goods	8.292.159	6.681.460
Goods in transit	198.179	132.916
Allowance for impairment on inventories(-)	(599.540)	(380.052)
	7.890.798	6.434.324

Movement of allowance for impairment on inventory	**1 January - 31 December 2010**	**1 January - 31 December 2009**
Opening balance	(380.052)	(417.482)
Charge for the year	(219.488)	-
Provisions released	-	37.430
Closing balance	(599.540)	(380.052)

As of 31 December 2010,total inventories that are valued at net realizable value are amounting to TL 8.292.159 (31 December 2009: TL 6.814.376).

(Amounts expressed in Turkish Lira (TL))

9- TANGIBLE ASSETS

Cost Value	Land	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leashold Improvements	Total
Opening balance as of 1 January 2010	**44.359**	**12.980**	**-**	**10.575.015**	**5.332.748**	**15.965.102**
Additions	-	-	-	2.884.555	2.489.342	5.373.897
Disposal	(44.359)	-	-	(45.354)	(1.804)	(91.517)
Closing balance as of 31 December 2010	**-**	**12.980**	**-**	**13.414.216**	**7.820.286**	**21.247.482**
Accumulated Depreciation						
Opening balance as of 1 January 2010	**-**	**(3.219)**	**-**	**(7.006.064)**	**(4.266.768)**	**(11.276.051)**
Charge of the year	-	(1.298)	-	(1.196.229)	(926.047)	(2.123.574)
Disposal	-	-	-	20.279	1.323	21.602
Closing balance as of 31 December 2010	**-**	**(4.517)**	**-**	**(8.182.014)**	**(5.191.492)**	**(13.378.023)**
Carrying value as of 31 December 2010	**-**	**8.463**	**-**	**5.232.202**	**2.628.794**	**7.869.459**

TL 1.332.095 of total depreciation and amortization amount is reflected in marketing,sales and distribution expenses (Note 18), TL 1.591.692 is reflected in general administrative expenses(Note 18) (31 December 2009 : TL 1.417.431 in marketing,sales and distribution expenses, TL 853.681 in general administrative expenses and TL 34.807 in general production cost, respectively).

(Amounts expressed in Turkish Lira (TL))

9- TANGIBLE ASSET (cont'd)

Cost Value	Land	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leashold Improvements	Total
Opening balance as of 1 January 2009	**91.659**	**137.159**	**154.875**	**9.897.145**	**4.787.460**	**15.068.298**
Additions	-	25.764	41.316	782.469	748.430	1.597.979
Disposal	(47.300)	-	(196.191)	(69.685)	(2.706)	(315.882)
Transfer to assets held for sale	-	(149.943)	-	(34.914)	(200.436)	(385.293)
Closing balance as of 31 December 2009	**44.359**	**12.980**	**-**	**10.575.015**	**5.332.748**	**15.965.102**
Accumulated Depreciation						
Opening balance as of 1 January 2009	**-**	**(22.378)**	**(195.352)**	**(5.888.165)**	**(3.721.706)**	**(9.827.601)**
Charge of the year	-	(18.384)	(839)	(1.154.385)	(641.436)	(1.815.044)
Transfer to assets held for sale	-	37.543	-	10.499	95.291	143.333
Disposal	-	-	196.191	25.987	1.083	223.261
Closing balance as of 31 December 2009	**-**	**(3.219)**	**-**	**(7.006.064)**	**(4.266.768)**	**(11.276.051)**
Carrying value as of 31 December 2009	**44.359**	**9.761**	**-**	**3.568.951**	**1.065.980**	**4.689.051**

(Amounts expressed in Turkish Lira (TL))

10 - NON-CURRENT ASSETS HELD FOR SALE

As of 31 December 2010, the Company does not have non –current assets held for sale, since the Company sold the tangible fixed assets and inventories related to production of Intema Mutfak to Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş at an amount of TL 1.469.559 at 1 January 2010.

	31 December 2010	**31 December 2009**
Tangible Assets	-	241.960
Inventories	-	1.254.599
	-	1.496.559

11 - INTANGIBLE ASSETS

As of 31 December 2010, the movements in intangible assets and accumulated amortization are as follows:

Cost Value	**Rights**
Opening balance as of 1 January 2010	**6.068.238**
Additions	1.311.736
Closing balance as of 1 January 2010	**7.379.974**
Accumulated Amortization	
Opening balance as of 1 January 2010	**(4.571.036)**
Charge of the year	(800.213)
Closing balance as of 1 January 2010	**(5.371.249)**
Carrying value as of 31 December 2010	**2.008.725**

As of 31 December 2009, the movements in intangible assets and accumulated amortization are as follows:

Cost Value	**Rights**
Opening balance as of 1 January 2009	**5.153.105**
Additions	918.010
Disposals	(2.877)
Closing balance as of 1 January 2010	**6.068.238**
Accumulated Amortization	
Opening balance as of 1 January 2009	**(4.082.311)**
Charge of the year	(490.875)
Disposals	2.150
Closing balance as of 1 January 2009	**(4.571.036)**
Carrying value as of 31 December 2009	**1.497.202**

(Amounts expressed in Turkish Lira (TL))

12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The analysis of provisions, contingent assets and liabilities are as follows:

	31 December 2010		31 December 2009	
	Nominal Value	**Fair Value**	**Nominal Value**	**Fair Value**
Collaterals	17.031.546	17.031.546	11.316.677	11.316.677
Mortgages	28.589.980	28.589.980	25.032.480	25.032.480
	45.621.526	45.621.526	36.349.157	36.349.157

Collaterals, pledges and mortgages (CPM) given by the Company at 31 December 2010 and 31 December 2009 are as follows:

CPM given by the Company(Collateral/Pledge/Mortgage)	**31 December 2010**	**31 December 2009**
A.Total amount of the CPM given for its own legal entity	4.093.167	7.210.516
- Collaterals	4.093.167	7.210.516
- Morgages	-	-
- Pledges	-	-
B.CPM given on behalf of the third parties' debt for the continuation of their economic activities		
C.Total amount of other CPM	-	-
i)Given on behalf majority shareholder	-	-
ii)Given on behalf of other group companies which are not in the scope of B and C	-	-
iii)Given on behalf of third parties which are not in scope of C	-	-
	4.093.167	7.210.516

As of 31 December 2010 and 31 December 2009, guarantees given are denominated in TL.

The ratio of other CPM to equity is 24% as of 31 December 2010 (31 December 2009:41%).

Operating lease obligations

As of 31 December 2010 and 2009, the Company has rented 109 motor vehicles through operating lease, assigning them to employees. As of 31 March 2010 and 31 December 2009, the Company's rent liabilities for future periods arising from operating lease agreements is summarized as follows:

Non-cancelable operating lease commitments	**31 December 2010**	**31 December 2009**
To be paid within 1 year	2.637	17.373
To be paid within 1-2 years	17.548	48.303
To be paid within 2-5 years	82.703	1.437
	102.888	67.113

(Amounts expressed in Turkish Lira (TL))

13 - PROVISION FOR EMPLOYEE BENEFITS

Short term provision for employee benefits	31 December 2010	31 December 2009
Due to personnel	-	591.426
Leave provission (short term)	1.271.995	691.272
	1.271.995	1.282.698

Long term provision for employee benefits

	31 December 2010	31 December 2009
Provision for employment termination benefits	1.428.577	1.159.475

Under Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to current 506 numbered Social Insurance Law‟s 6 March 1981 dated, 2422 numbered, 25 August 1999 dated and 4447 numbered with 60th article that has been changed. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002.

The amount payable consists of one month’s salary limited to a maximum of TL 2.517,01 (2009: TL 2.365,16) for each period of service at 31 December 2010.

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 the Company arising from the retirement of employees. IAS 19 requires 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:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2010, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 5.1 % and a discount rate of 10%, resulting in a real discount rate of approximately 4.66% (31 December 2009: 5.92%). The anticipated rate of forfeitures is considered. As the maximum liability is revised semi annually, the maximum amount of TL 2.623,23 effective from 1 January 2011 has been taken into consideration in calculation of provision from employment termination benefits.

(Amounts expressed in Turkish Lira (TL))

13 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (cont'd)

The movements in the provision for employment termination benefits are as follows:

	2010	2009
Provision as of 1 January	1.159.475	1.056.373
Service cost	710.640	899.299
Interest cost	54.057	25.114
Employee termination benefits paid	(510.110)	(886.257)
Actuarial loss	14.515	64.946
Provision as of 31 December	1.428.577	1.159.475

14 - OTHER CURRENT AND NON-CURRENT ASSETS

Other Current Assets	31 December 2010	31 December 2009
Prepaid expense	857.671	430.981
Income accruals	47.981	60.373
Prepaid taxes and funds	32.597	246.339
Business advances	45.236	8.247
Advances given to personnel	41.936	54.544
Deferred VAT	523.582	-
Advances given to suppliers	16.650	143.214
	1.565.653	943.698

Other Non-Current Assets	31 December 2010	31 December 2009
Prepaid expense	195.064	59.492
	195.064	59.492

15 - OTHER CURRENT AND NON-CURRENT LIABILITIES

Other Current Liabilities	31 December 2010	31 December 2009
Deferred revenue	415.841	613.017
Expense accruals	266.924	128.913
	682.768	741.930

(Amounts expressed in Turkish Lira (TL))

15 - OTHER CURRENT AND NON-CURRENT LIABILITIES (cont'd)

Other Non-Current Liabilities	31 December 2010	31 December 2009
Deferred revenue (*)	2.085.777	1.188.369
	2.085.777	1.188.369

(*)As of 31 December 2010, deferred revenue contains invoices for installation of Company's integrated program, tables and other fixed assets investments.

Advances received	31 December 2010	31 December 2009
Advances received	11.159.572	3.515.006
	11.159.572	3.515.006

16 - EQUITY

The Company's shareholders and shareholding structure at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010		31 December 2009	
Shareholders	**Share (%)**	**TL**	**Share (%)**	**TL**
Eczacıbaşı Holding A.Ş.	27,43%	1.333.121	27,43%	1.333.121
Eczacıbaşı Yatırım Holding Ort. A.Ş.	41,93%	2.037.909	30,84%	1.498.937
EİP Eczacıbaşı İlaç Pazarlama A.Ş.	0,97%	46.980	0,97%	46.980
Ekom Eczacıbaşı Dış Ticaret A.Ş.	0,97%	46.980	0,97%	46.980
Eczacıbaşı Bilişim San. Ve Tic. A.Ş.	0,64%	31.320	0,64%	31.320
Girişim Paz. Tüketim Ürünleri San. ve Tic. A.Ş.	0,60%	29.363	0,60%	29.363
Open to public	27,46%	1.334.327	38,55%	1.873.299
Total	100,00%	4.860.000	100,00%	4.860.000
Inflation adjustment		47.440.914		47.440.914
Adjustmented capital		52.300.914		52.300.914

The Company's share capital of the year 2010 consist of 4.860.000 number of shares and there is no preferred stock (2009 : 4.860.000 number of shares).

As of 31 December 2010, Eczacıbaşı Yatırım Holding Ortaklığı A.Ş. has acquired 526.972 shares of the Company at a weighted average price of TL 5,15–6,85. As a result, the participation share of Eczacıbaşı Yatırım Holding Ortaklığı A.Ş in the Company has become 41,93 %.

(Amounts expressed in Turkish Lira (TL))

16 - EQUITY (cont'd)

Dividend distribution:

Based on CMB Decree No. 02/51, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations in 2009. Regarding the dividend distribution for the current and following years, the entities shall distribute their profits for the current and following years under the scope of CMB Communiqué Serial: IV, No: 27 based on their articles of association and their previously publicly announced profit distribution policies.

In addition, according to aforementioned Board Decision, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué Serial: IX, No: 29, "Principles of Financial Reporting in Capital Markets" providing that the profits can be afforded by the available sources in their statutory records.

Listed sources are subject to dividend requirements:

As of 31 December 2010, the Company does not have distributable profit and available distributable resources (31 December 2009: none).

Revaluation Funds	**31 December 2010**	**31 December 2009**
Financial assets fair value reserve	11.163.770	8.636.175
	11.163.770	8.636.175

Revaluation fund of financial assets:

Revaluation fund arises valuation of financial assets available for sale with fair value.The sale of financial instrument that valued with fair value,related part of the revaluaion fund is accounted directly as a type of profit or loss.When revalued financial instrument is impaired,related part of the revaluation fund is accounted directly as a type of profit or loss.

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 stiulates 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 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 share capital. Under the TCC, the legal reserve can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid in share capital

The amounts stated above shall be presented as "Restricted reserves" in accordance with CMB Financial reporting Standards. The Company's restricted reserve as at 31 December 2010 is TL 115.994. (31 December 2009: TL 115.994)

Restricted reserves	**31 December 2010**	**31 December 2009**
Legal reserves	115.994	115.994
	115.994	115.994

(Amounts expressed in Turkish Lira (TL))

16 - EQUITY (cont'd)

As at 31 December 2010 and 31 December 2009, retained earnings are as follows:

Retained Earnings/ Accumulated Losses	31 December 2010	31 December 2009
Extraordinary reserves	1.485.088	1.485.088
Accumulated losses	(44.750.124)	(43.788.449)
	(43.265.036)	(42.303.361)

Open to public companies are subject to dividend requirements regulated by CMB as follows:

In accordance with the CMB regulations effective, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectivelt.

In accordance with the CMB regulations effective until 1 January 2008, "Capital, Share Premium, Legal Reserves, Special Reserves and Extraordinary Reserves" wew recorded at their statutory carrying amounts and the inflation adjustment differences related to such accounts were recorded under "inflation adjustment differences" at the initial application of inflation accounting "Equity inflation adjustment differences could have been utilised only in issuing bonus shares and offsetting accumulated losses, carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses."

In accordance with the Communique No:XI-29 and related announcements of CMB, effective from 1 January 2008, "Share capital","Restricted reserves" and "Share premiums" shall be carried at their statutory amounts. The valuation differences arised due to implementing tje communique (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising due to the inflation adjustment of "Paid in Capital" and not yet been transferred to capital should be classified under the "Inflation adjustment to share capital";

- if the difference is due to the inflation adjustment of "Restricted reserves" and "Share premium" and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under "Retained earnings".

Other equity items shall be carried at the amounts calculated based on CBM Financial Reporting Standards.

(Amounts expressed in Turkish Lira (TL))

17 - REVENUE AND COST OF SALES

Revenue	1 January-31 December 2010	1 January-31 December 2009
Domestic sales	684.654.513	566.149.416
Export sales	524.630	20.528
Gross profit	**685.179.143**	**566.169.944**
Sales returns (-)	(3.166.374)	(3.267.810)
Sales discounts (-)	(297.569.215)	(234.369.503)
Sales revenue (net)	**384.443.554**	**328.532.631**
Cost of trade goods sold	(340.370.025)	(289.372.178)
Gross operating profit	**44.073.529**	**39.160.453**

18- MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

Marketing, sales and distribution expenses (-)	1 January-31 December 2010	1 January-31 December 2009
Personnel expenses	(14.577.675)	(12.119.288)
Rent expenses	(6.940.645)	(5.610.389)
Advertisement expenses	(3.044.692)	(3.696.050)
Transportation expenses	(1.610.297)	(2.126.072)
Warehousing expenses	(1.355.662)	(963.321)
Depreciation and amortization expenses	(1.332.095)	(1.417.431)
Techinical service expenses	(1.168.199)	(1.111.207)
Travel expenses	(950.494)	(334.967)
Fuel, electricity and water expenses	(802.530)	(654.820)
Office stationary expenses	(595.641)	(421.440)
Communication expenses	(479.135)	(397.133)
Commission expenses	(155.374)	(79.523)
Taxes and other legal dues	(153.271)	(113.435)
Insurance expenses	(58.423)	(63.332)
Maintenance expenses	(47.276)	(39.057)
Consulting expenses	(24.800)	(3.700)
Cleaning expenses	(13.631)	(55.697)
Education expenses	(9.882)	(5.732)
Other	(2.837.637)	(1.883.103)
	(36.157.359)	(31.095.697)

(Amounts expressed in Turkish Lira (TL))

18- MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (cont'd)

General Administrative Expenses (-)	**1 January-31 December 2010**	**1 January-31 December 2009**
Personnel expenses	(3.984.966)	(2.818.055)
Consulting expenses	(3.481.010)	(3.185.170)
Depreciation and amortization expenses	(1.591.692)	(853.681)
Provision for doubtful receivables (Note 6)	(1.090.835)	(558.223)
Provision for employee termination benefits (Note 13)	(779.212)	(989.359)
Unused vacation	(776.380)	(34.646)
Rent expenses	(304.268)	(337.751)
Advertisement expenses	(184.612)	(96.994)
Office stationary expenses	(166.574)	(165.724)
Travel expenses	(130.074)	(98.587)
Education expenses	(88.698)	(15.949)
Taxes and other legal dues	(76.450)	(40.930)
Communication expenses	(73.706)	(59.792)
Fuel, electricity and water expenses	(50.982)	(61.876)
Maintenance expenses	(16.277)	(15.602)
Insurance expenses	(8.736)	(17.094)
Transportation expenses	(6.214)	(5.256)
Cleaning expenses	(758)	(805)
Other	(83.800)	(38.221)
	(12.895.244)	(9.393.715)

(Amounts expressed in Turkish Lira (TL))

19 - EXPENSES BY NATURE

	1 January-31 December 2010	1 January-31 December 2009
Personnel expenses	(18.562.641)	(14.937.343)
Rent expenses	(7.244.913)	(5.948.140)
Consulting expenses	(3.505.810)	(3.188.870)
Advertisement expenses	(3.229.304)	(3.793.044)
Depreciation and amortization expenses	(2.923.787)	(2.271.112)
Transportation expenses	(1.616.511)	(2.131.328)
Warehousing expenses	(1.355.662)	(963.321)
Technical service expenses	(1.168.199)	(1.111.207)
Provision for doubtful receivables (Note 6)	(1.090.835)	(558.223)
Travel expenses	(1.080.568)	(433.554)
Fuel, electricity and water expenses	(853.512)	(716.696)
Provision for employee termination benefits (Note 13)	(779.212)	(989.359)
Unused vacation	(776.380)	(34.646)
Office stationary expenses	(762.215)	(587.164)
Communication expenses	(552.841)	(456.925)
Taxes and other legal dues	(229.721)	(154.365)
Comission expenses	(155.374)	(79.523)
Education expenses	(98.580)	(21.681)
Insurance expenses	(67.159)	(80.426)
Maintenance expenses	(63.553)	(54.659)
Cleaning expenses	(14.389)	(56.502)
Other	(2.921.437)	(1.921.324)
	(49.052.603)	(40.489.412)

20 - OTHER OPERATING INCOME/(EXPENSES)

Other Operating Income	1 January-31 December 2010	1 January-31 December 2009
Gain on sale of assets	199.031	33.714
Dividend income from affiliates	4.705	3.926
Doubtful receivable collections	57.225	12.275
Rent Income	872.223	643.898
Other operating income	660.828	639.328
	1.794.012	1.333.141

Other Operating Expenses	1 January-31 December 2010	1 January-31 December 2009
Loss on sale of fixed assets	(26.585)	(81.947)
Other operating expense	(638.417)	(513.153)
	(665.002)	(595.100)

(Amounts expressed in Turkish Lira (TL))

21- FINANCIAL INCOME

	1 January-31 December 2010	January-31 December 2009
Interest income	119.682	682.061
Credit finance income	5.997.003	4.535.824
	6.116.685	5.217.885

22 - FINANCIAL EXPENSES

	1 January-31 December 2010	January-31 December 2009
Comission of guarantee letter	(2.121)	-
Credit financial expenses	(5.785.967)	(5.231.928)
Other financial expenses	(53.924)	(447.409)
	(5.842.012)	(5.679.337)

23 - CURRENT AND DEFERRED INCOME TAXES

Current tax liability	31 December 2010	31 December 2009
Current corporate tax provision	-	-
Less: prepaid taxes and funds	-	-
	-	-

	31 December 2010	31 December 2009
Deferred tax assets (-)	(1.481.672)	(1.285.653)
Deferred tax liabilities	1.048.565	940.620
Deferred tax liabilities / (assets) (net)	(433.107)	(345.033)

Reconcilation of tax provision	1 January-31 December 2010	1 January-31 December 2009
Income before tax	(3.575.391)	(1.052.370)
Taxable income	**(3.575.391)**	**(1.052.370)**
Calculated tax (2010: %20, 2009: %20)	715.078	210.474
Effects of ndisallowable expenses	(25.830)	(141.587)
Dividends and other non-taxable income /(expense)	26.067	21.808
Provision for unused tax losses	(494.211)	-
Tax income /(expense)	**221.104**	**90.695**

(Amounts expressed in Turkish Lira (TL))

23 - CURRENT AND DEFERRED INCOME TAXES (cont'd)

Deferred tax (assets) / liabilities	31 December 2010	31 December 2009
Useful life differences on tangible and intangible fixed assets	308.335	276.707
Provision for employee termination benefits	(285.715)	(231.895)
Provision for unused vacation	(254.399)	(138.254)
Unearned finance income of credit sale	(139.521)	(157.365)
Unearned finance expense of credit purchase	152.663	209.377
Provision for doubtful receivable	(89.020)	(89.020)
Provision for loss on inventories	(119.908)	(76.010)
Deductible monetary loss	(1.087.320)	(593.109)
The deferred tax effect of valuation of financial assets available for sale "Revaluation Funds" associated with the outside part of tax exemption of 75%	587.567	454.536
	(927.318)	(345.033)
Provision for deferred tax assets(*)	494.211	-
Net Deferred Tax Assets	(433.107)	(345.033)

(*)At the balance sheet date, the Company has unused tax losses of TL 5.436.598 (2009: TL 2.965.543) available for offset against future profits. A deferred tax asset has been recognized in respect of TL 1.087.320 (2009: TL 593.109) of such losses. The Company has provided provision for the deferred tax assets amounting to TL 494.211(2009:none) due to the possible fluctuations in the market.

Expiration dates of the unused tax losses are as follows:

	31 December 2010	31 December 2009
Expiring in 2014	(2.965.543)	(2.965.543)
Expiring in 2015	(2.471.055)	-
	(5.436.598)	(2.965.543)

Movement of deferred tax (asset)/ liabilities:	1 January- 31 December 2010	1 January- 31 December 2009
Opening balance as of 1 January	(345.033)	(708.874)
Deferred tax expense / (benefit)	(221.104)	(90.695)
Net off from financial asset revaluation fund	133.030	454.536
Closing balance as of 31 December	(433.107)	(345.033)

(Amounts expressed in Turkish Lira (TL))

24 - EARNINGS / (LOSS) PER SHARE

Loss per share	1 January- 31 December 2010	1 January- 31 December 2009
Net loss for the period	(3.354.287)	(961.675)
Weighted average number of shares with face value of TL 1 each	4.860.000	4.860.000
Loss per share of value of TL 1 each	(0,6902)	(0,1979)

25 - RECEIVABLES AND PAYABLES WITH RELATED PARTIES

Due from shareholders	**31 December 2010**	**31 December 2009**
Eczacıbaşı Girişim Pazarlama Tüketim Ürünleri San. ve Tic. A.Ş. ("Eczacıbaşı Girişim")	5.041	627
Ekom Eczacıbaşı Dış Ticaret A.Ş. ("Ekom Eczacıbaşı")	413.205	-
	418.246	627
Due from group companies		
Burgbad AG	53.140	487.176
Vitra Bulgaria OOD ("Vitra Bulgaria")	170.168	126.708
Esan Eczacıbaşı End. Ham. San. Tic. A.Ş. ("Esan Eczacıbaşı")	28.538	58.605
Engers Keramik GMBH & CO KG ("Engers Keramik")	22.750	30.132
Other	164.027	110.260
	438.623	812.881
Due from related parties	**856.869**	**813.508**
Less: Deferred credit finance income	(46.526)	(30.819)
Due from related parties (net)	**810.343**	**782.689**

(Amounts expressed in Turkish Lira (TL))

25 - RECEIVABLES AND PAYABLES WITH RELATED PARTIES (cont'd)

Due to shareholders	**31 December 2010**	**31 December 2009**
Eczacıbaşı Bilişim San. Ve Tic. A.Ş. ("Eczacıbaşı Bilişim")	392.701	1.087.854
Eczacıbaşı Holding A.Ş.	637.748	316.475
Ekom Eczacıbaşı Dış Ticaret A.Ş. ("Ekom Eczacıbaşı")	4.855	24.097
	1.035.304	1.428.426
Due to long term marketable securities		
Eczacıbaşı Yapı Gereçleri San. Ve Tic. A.Ş. ("Eczacıbaşı Yapı Gereçleri")	48.115.842	49.347.436
Eczacıbaşı Sigorta Acentalığı A.Ş. ("Eczacıbaşı Sigorta")	5.889	36.520
	48.121.731	49.383.956
Due to group companies		
Vitra Karo San. Ve Tic. A.Ş. ("Vitra Karo")	30.388.724	30.826.732
Eczacıbaşı-Koramic Yapı Kimyasalları San. Ve Tic. A.Ş. ("Eczacıbaşı Koramic")	6.916.632	4.584.394
Vitra Bad GMBH ("Vitra Bad")	198.447	-
V&B Fliesen GMBH	464.010	-
Burgkama GMBH	605.485	-
Other	44.782	24.716
	38.618.080	35.435.842
Due to related parties	**87.775.115**	**86.248.224**
Less: Deferred credit finance expense	(757.630)	(1.036.720)
Due to related parties	**87.017.485**	**85.211.504**

(Amounts expressed in Turkish Lira (TL))

25 - RECEIVABLES AND PAYABLES WITH RELATED PARTIES (cont'd)

Sales to related parties

1 January - 31 December 2010

	Product	Fixed Asset	Comission Bills	Expense Bills (*)	Total
Eczacıbaşı Yapı Gereçleri	1.381.927	299.453	14.275.539	17.125.629	33.082.548
Vitra Karo	38.038	17.936	7.528.918	5.833.543	13.418.435
Eczacıbaşı Koramic	-	314	1.271.590	443.018	1.714.922
Ekom Eczacıbaşı	510.945	-	19.452	75.764	606.161
Other	166.051	1.147	-	1.343.996	1.511.194
	2.096.961	318.850	23.095.499	24.821.950	50.333.260

1 January - 31 December 2009

	Product	Fixed Asset	Comission Bills	Expense Bills (*)	Total
Eczacıbaşı Yapı Gereçleri	245.282	307.750	10.165.576	10.639.563	21.358.171
Vitra Karo	80.004	348.650	5.879.824	6.852.149	13.160.627
Eczacıbaşı Koramic	976	14.564	1.004.223	1.255.540	2.275.303
Ekom Eczacıbaşı	15.287	114	15.870	21.679	52.950
Other	201.274	61.906	27.872	1.539.451	1.830.503
	542.823	732.984	17.093.365	20.308.382	38.677.554

(*) These amounts consist of expenses incurred on behalf of manufacturers, which are netted off in other income and expenses accounts.

(Amounts expressed in Turkish Lira (TL))

25 - RECEIVABLES AND PAYABLES WITH RELATED PARTIES (cont'd)

Product, Fixed assets, Service purchases from related parties:

1 Janury - 31 December 2010	**Product**	**Services**	**Fixed assets**	**Other**	**Total**
Eczacıbaşı Yapı Gereçleri	191.592.701	-	-	-	191.592.701
Vitra Karo	117.550.995	203.890	17.936	72.006	117.844.827
Eczacıbaşı Koramic	20.527.730	16.030	-	1.105.085	21.648.845
Eczacıbaşı Holding	-	2.630.567	1.166	23.367	2.655.100
Eczacıbaşı Bilişim Sanayi ve Tic. A.Ş.	-	1.384.465	1.990.985	504.679	3.880.129
Other	305.266	1.235.019	-	1.216.788	2.757.073
	329.976.692	5.469.971	2.010.087	2.921.925	340.378.675

1 January - 31 December 2009	**Product**	**Services**	**Fixed assets**	**Other**	**Total**
Eczacıbaşı Yapı Gereçleri	146.358.714	-	-	196.109	146.554.823
Vitra Karo	104.133.314	752	59.934	953.893	105.147.893
Eczacıbaşı Koramic	16.587.455	-	-	47.973	16.635.428
Eczacıbaşı Holding	-	2.453.263	3.263	-	2.456.526
Eczacıbaşı Bilişim Sanayi ve Tic. A.Ş.	-	952.718	317.747	1.497.691	2.768.156
Other	274.636	1.096.202	-	5.001	1.375.839
	267.354.119	4.502.935	380.944	2.700.667	274.938.665

(Amounts expressed in Turkish Lira (TL))

25 - RECEIVABLES AND PAYABLES WITH RELATED PARTIES (cont'd)

Remuneration paid to top management and board of directors

The company defined its top management personnel as board of directors' members, general manager, vice general manager and managers. Remuneration of top management includes sales, premiums, employers' liability insurance premium, unemployment premium in short term. Remuneration of top management includes emplyee termination benefits in long term

	31 December 2010	31 December 2009
Remunaration of top management personnel and board of directors in short term	4.854.327	2.098.875
Remunaration of top management personnel and board of directors in long term	126.968	341.824
	4.981.295	2.440.699

26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The analysis of foreign currency position is as follows:

	31 December 2010			
	Equivalent of TL	USD	EUR	GBP
Trade payables	915.925	22.736	420.583	7.937
Financial assets	155.502	25.666	17.669	33.332
TOTAL ASSETS	1.071.427	48.402	438.252	41.269
Trade liabilities	(2.133.502)	(127.748)	(944.807)	-
TOTAL LIABILITIES	(2.133.502)	(127.748)	(944.807)	-
Net foreign currency assets/(liabilities) position	(1.062.075)	(79.346)	(506.555)	41.269
Export	524.630	-	217.834	42.867
Import	5.051.773	-	2.559.412	-

(Amounts expressed in Turkish Lira (TL))

26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

The analysis of foreign currency position is as follows:

	31 December 2009			
	Equivalent of TL	**USD**	**EUR**	**GBP**
Trade payables	964.094	16.489	411.066	9.008
Financial assets	1.304.457	60.031	538.864	33.350
TOTAL ASSETS	2.268.551	76.520	949.930	42.358
Trade liabilities	(868.579)	(26.727)	(383.436)	-
TOTAL LIABILITIES	(868.579)	(26.727)	(383.436)	-
Net foreign currency assets/(liabilities) position	1.399.972	49.793	566.494	42.358
Export	20.528	-	9.544	-
Import	5.366.568	-	2.495.150	-

Currency Risk

The Company is exposed to EUR, mainly and US dollar, occasionally. The analysis of sensitivity to foreign currency is as follows:

31 December 2010	**Income/(Loss)**	
	Foreign Currency Appreciates	**Foreign Currency Depreciates**
If the US dollar had changed by 10% against the TL		
USD net assets/(liabilities)	(12.267)	12.267
Hedging amount of USD	-	-
USD net effect on income/(loss)	(12.267)	12.267
If the EUR had changed by 10% against the TL		
EUR net assets/(liabilities)	(103.798)	103.798
Hedging amount of EUR	-	-
EUR net effect on income/(loss)	(103.798)	103.798
If other currency had changed by 10% against the TL		
Other currency net assets/(liabilities)	9.858	(9.858)
Hedging amount of other currency	-	-
Other currency net effect on income/(loss)	9.858	(9.858)

(Amounts expressed in Turkish Lira (TL))

26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Currency Risk (cont'd)

31 December 2009	**Income/(Loss)**	
	Foreign Currency Appreciates	**Foreign Currency Depreciates**
If the US dollar had changed by 10% against the TL		
USD net assets/(liabilities)	7.497	(7.497)
Hedging amount of USD	-	-
USD net effect on income/(loss)	7.497	(7.497)
If the EUR had changed by 10% against the TL		
EUR net assets/(liabilities)	122.380	(122.380)
Hedging amount of EUR	-	-
EUR net effect on income/(loss)	122.380	(122.380)
If other currency had changed by 10% against the TL		
Other currency net assets/(liabilities)	10.120	(10.120)
Hedging amount of other currency	-	-
Other currency net effect on income/(loss)	10.120	(10.120)

Credit risk

Having financial instruments exposes the Company to the risk that a counterparty will default on its contractual obligations.A significant part of the Company's trade receivables are due from distributors and related parties. The Company's Board of Directors has established an effective control system for closely monitoring the credit risk arising from these entities. The risks arising from each debtor are limited up and credit limits have been assigned to. The Company has mitigated the risks, taking under guarantee part of trade receivables due from sales of goods to distributors to the amount of the credit limit assigned with negotiated banks through Direct Debit System ("DBS"). DBS is effective method of mitigating the credit risk arising from receivables due from distributors. Another method of managing the credit risk is to secure substantial guarantees from distributors.

The Company's principal for managing credit risk arising from receivables due from entities other than third parties is to secure guarantees in a big amount. Other methods used in managing credit risk beyond DBS are as follows:

- Bank guarantees (letter of guarantee, letter of credit etc),
- Mortgages,
- Cheque-note.

The Company manages this risk by the credit limits up to the guarantees received from customers. The usage of credit limits are monitored by the Company and also by taking into consideration customer's financial position, past experiences and other factors, customer's credibility is evaluated continuously.

(Amounts expressed in Turkish Lira (TL))

26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

	Trade Receivables			
31 December 2010	**Related Party**	**Other**	**Financial Assets**	**Cash and cash equivalents**
Maximum net credit as of balance sheet date	810.343	83.839.350	19.003.708	2.344.880
- The part of maximum risk under guarantee with collateral (-)	-	63.637.330	-	-
A. Net book value of financial assets that are neither past due nor impaired	810.343	71.648.000	19.003.708	2.344.880
- The part of maximum risk under guarantee with collateral (-)	-	-	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-
- The part of maximum risk under guarantee with collateral (-)	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (*)	-	6.795.475	-	-
- The part under guarantee with collateral (-)	-	*(2.826.533)*	-	-
D. Net book value of impaired assets	-	5.840.974	-	-
- Impairment (-)	-	(5.395.875)	-	-
- The part under guarantee with collateral (-)	-	*445.099*	-	-
- Past due (Gross carying amount)	-	5.840.974	-	-
- Impairment (-)	-	(5.395.875)	-	-
-The part of net value under guarantee with collateral (-)	-	*445.099*	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral (-)	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-

(Amounts expressed in Turkish Lira (TL))

26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

	Trade Receivables			
31 December 2009	**Related Party**	**Other**	**Financial Assets**	**Cash and cash equivalents**
Maximum net credit as of balance sheet date	782.689	69.199.739	16.343.083	13.267.266
- The part of maximum risk under guarantee with collateral (-)	-	40.791.833	-	-
A. Net book value of financial assets that are neither past due nor impaired	782.689	58.166.909	16.343.083	13.267.266
- The part of maximum risk under guarantee with collateral (-)	-	37.983.785	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-
- The part of maximum risk under guarantee with collateral (-)	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (*)	-	5.970.565	-	-
- The part under guarantee with collateral (-)	-	*(2.108.048)*	-	-
D. Net book value of impaired assets	-	5.062.265	-	-
- Impairment (-)	-	(4.362.265)	-	-
- The part under guarantee with collateral (-)	-	*700.000*	-	-
- Past due (Gross carying amount)	-	5.062.265	-	-
- Impairment (-)	-	(4.362.265)	-	-
-The part of net value under guarantee with collateral (-)	-	*700.000*	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral (-)	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-

(Amounts expressed in Turkish Lira (TL))

26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk (cont'd)

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Credit risk of the receivables from counterparties are evaluated periodically and insured if necessary.

Disclosures relating to the credit quality of financial assets

The credit quality of financial assets neither past due nor impaired is derived from internal classification information based on historic data is shown below:

Internal classification information:	**31 March 2011**	**31 December 2010**
Group 1	473.930	1.682.001
Group 2	88.899.627	70.227.970
Group 3	4.025.473	548.372
Total trade receivables	93.399.030	72.458.343

Group 1 - New customers / Related parties for less than 6 months

Group 2 - Customers / Related parties for over 6 months from which there were no past due receivables

Group 3 - Customers / Related parties for over 6 months from which there were sometimes past due receivables

The allowance for impairment of financial assets is estimated based on uncollectible receivables on the basis of past experience.

The aging of the past due receivables are as follows:

As of 31 December 2010 and 31 December 2009 the aging of the past due receivables but not impaired are presented below:

	31 December 2010	**31 December 2009**
Past due 1 - 30 days	3.210.186	2.450.742
Past over 1 - 3 months	2.487.606	1.925.583
Past over 3 - 12 months	452.443	1.594.240
Past over 1 - 5 years	644.610	-
	6.794.845	5.970.565

(Amounts expressed in Turkish Lira (TL))

26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk(cont'd)

As of 31 December 2010 the Company's past due trade receivables amounting to TL 6.795.475 have not been impaired (31 December 2009: TL 5.970.565). As of 31 December 2010, the Company has taken under guarantee out of the above mentioned amount trade receivables in the amount of TL 2.826.533 due from distributors, having agreement with banks about credit limits, through letter of guarantee, guarantee notes, guarantee cheques and mortgages(31 December 2009: TL 2.108.048).

Capital Risk Management

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

In order to maintain its capital structure or to rearrange it the Company can change the value of the distributable dividend (but the amount still has to be binded to the minimum distributable profit determined by CMB), return the capital to the shareholders, accept new shareholders or sell its own assets to reduce liabilities.

In parallel to its peer sector entities the Company controls its capital using the net debt/total capital ratio. This ratio is the calculated as net debt divided by the total capital amount. Net debt is calculated as total liability amount (comprises of financial liabilities, leasing and trade payables as presented in the balance sheet) less cash and cash equivalents. Total capital is calculated as shareholders' equity plus the net debt amount as presented in the balance sheet.

	31 December 2010	**31 December 2009**
Total liabilities	109.091.849	99.192.199
Less: Cash and cash equivalents (note 4)	(2.379.707)	(13.311.404)
Net liabilities	106.712.142	85.880.795
Total equity	16.961.355	17.788.047
Total capital	123.673.497	103.668.842
Liabilities /capital ratio	**86%**	**83%**

Price risk

Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş. is part of the Company's financial assets, which is quoted at fair value on the Istanbul Stock Exchange ("ISE") deemed to be an active market as the value is determined on the basis of most recent best orders pending after the second session is closed. Investments on securities which are neither qouted on an active market nor their fair values are valued reliably, are valued at cost. Equity instruments classified as available-for-sale financial assets on the Company's balance sheet are exposed to price risk. As of 31 December 2010, if there is a 5% increase/decrease in the ISE's benchmark stock index, the valuation difference arising from the financial assets will increase/ decrease by TL 949.781 (31 December 2009: TL 816.750).

26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Price risk (cont'd)

		ISE 2. Session purchase value	
	Share (%)	**31 December 2010**	**31 December 2009**
Trade name			
Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş.	5,48	3,07	2,64

Interest rate risk management

The Company does not have any financial assets or liabilities exposed to high interest rate risk except for the liquid assets. The liquids assets consist of cash on hand, bank deposits and specified amount, that could be turned easily into cash, short term and highly liquid, not susceptible to significant changes in value and investments at one-month maturity (Note 4). Revenue, expenses, and cash flows generated from the operations of the Company, to a great extent, are not exposed to interest rate sensitiviy.

27 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of a financial instrument is the amount for which an asset or liability could be exchanged between knowledgeable, willing parties in an arm's length transaction. In the event of existence of a quoted price in an active market that best represents the fair value of a financial instrument.

The Company has used readiliy available market information and adequate valuation techniques in estimating the fair value of the financial instruments. However, an interpretation and judgement is required in order to analyze market data and to estimate the actual cost. Hence, the estimated values presented below are not always indicator on the realizable value that could be achieved by the Company through a transaction in a current market.

The valuation method and assumptions used in estimating the fair value of the financial instruments are as follows:

Monetary Assets

The balances as at the reporting date are translated into TL using the exchange rates in force. These balances are considered to approximate the carrying amount.

Cash and cash equivalents, including other specific financial assets are valued at cost. Their carrying value approximates their fair value because they are considered to have short term maturitty.

The carrying value of trade receivablesincluding the respective provision for doubtful receivables are deemed to reflect the fair value.

Carrying values of trade payables are deemed to reflect fair values because they are considered to have short term maturity.

(Amounts expressed in Turkish Lira (TL))

27 - FINANCIAL INSTRUMENTS (cont'd)

Liqudity Risk

31 December 2010

Contractual maturities	Carrying Value	Contractual cash outflows (I+II+III+IV)	Up to 3 Months (I)	3-12 months (II)	1-5 years(III)	Over 5 years(IV)
Financial Liabilities(non-derivate)						
Trade payables						
-*Related parties*	87.017.485	87.775.115	87.775.115	-	-	-
-*Other*	4.380.220	4.385.906	4.385.906	-	-	-
Total Liabilities	91.397.705	92.161.021	92.161.021	-	-	-

31 December 2009

According to the contract maturities	Carrying Value	Contractual cash outflows (I+II+III+IV)	Up to 3 Months (I)	3-12 months (II)	1-5 years(III)	Over 5 years(IV)
Financial Liabilities(non-derivate)						
Trade payables						
-*Related parties*	85.211.504	86.248.224	86.248.224	-	-	-
-*Other*	5.010.770	5.020.938	5.020.938	-	-	-
Total Liabilities	90.222.274	91.269.162	91.269.162	-	-	-

(Amounts expressed in Turkish Lira (TL))

27 - FINANCIAL INSTRUMENTS (cont'd)

31 December 2010	Loans and receivables (including cash and cash equivalents)	Available for sale financial assets	Financial liabilities at amortized cost	Carrying Value	Note
Financial Assets					
Cash and cash equivalents	2.379.707	-	-	2.379.707	4
Trade receivables	83.839.350	-	-	83.839.350	25
Due from related parties	810.343	-	-	810.343	6
Financial assets		19.003.708	-	19.003.708	5
Financial Liabilities					
Trade payables	-	-	4.380.220	4.380.220	6
Due to related parties	-	-	87.017.485	87.017.485	25

31 December 2009	Loans and receivables (including cash and cash equivalents)	Available for sale financial assets	Financial liabilities at amortized cost	Carrying Value	Note
Financial Assets					
Cash and cash equivalents	13.311.404	-	-	13.311.404	4
Trade receivables	69.199.739	-	-	69.199.739	25
Due from related parties	782.689	-	-	782.689	6
Financial assets	-	16.343.083	-	16.343.083	5
Financial Liabilities					
Trade payables	-	-	5.010.770	5.010.770	6
Due to related parties	-	-	85.211.504	85.211.504	25

(Amounts expressed in Turkish Lira (TL))

27 - FINANCIAL INSTRUMENTS (cont'd)

The classification of financial instruments at fair value:

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).

The fair value hierarchy of the Company's financial assets at fair value is shown as follows:

		Level of fair value as of reporting date		
Financial assets	31 December 2010	Level 1 TL	Level 2 TL	Level 3 TL
Available-for-sale financial assets	19.003.708	18.995.625	-	8.083
Total	19.003.708	18.995.625	-	8.083

Financial assets	31 December 2009	Level 1 TL	Level 2 TL	Level 3 TL
Available-for-sale financial assets	16.343.083	16.335.000	-	8.083
Total	16.343.083	16.335.000	-	8.083