İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS AT 31 DECEMBER 2012 TOGETHER WITH AUDITOR'S REPORT (ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş.

1. We have audited the accompanying financial statements of İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş. (the "Company") which comprise the balance sheet as of 31 December 2012 and the statement of income, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting standards issued by the Capital Markets Board of Turkey ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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

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

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 financial statements.

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

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. a member of PricewaterhouseCoopers
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Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş. as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards issued by the CMB (Note 2).

Other Matter

5. The financial statements of the Company as of and for the year ending 31 December 2011 were audited by another independent auditor. Previous independent auditor's report dated 16 March 2012 expressed an unqualified opinion.

Additional Paragraph for Convenience Translation into English

6. The accounting principles described in Note 2 to the financial statements (defined as the "CMB Financial Reporting Standards") differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005 and presentation of basic financial statements and the notes to them. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Ediz Günsel, SMMM
Partner

Istanbul, 15 March 2013

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA A.Ş

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

BALANCE SHEETS AT 31 DECEMBER 2012 AND 2011

(Amounts are expressed in Turkish Lira (TL) unless otherwise indicated)

	Notes	31 December 2012	31 December 2011
ASSETS			
Current assets:			
Cash and cash equivalents	4	5.892.061	1.895.548
Trade receivables	6	128.698.773	109.184.999
- Due from related parties	*23*	*3.380.567*	*1.959.642*
- Other trade receivables	*6*	*125.318.206*	*107.225.357*
Other receivables		56.793	52.704
Inventories	8	8.924.269	9.622.300
Other current assets	12	2.944.190	1.972.983
Total current assets		**146.516.086**	**122.728.534**
Non-current assets:			
Trade receivables	6	314.030	-
- Other trade receivables		*314.030*	*-*
Other receivables		28.415	26.070
Financial investments	5	33.791.833	17.333.083
Property. plant and equipment	9	8.500.334	8.465.096
Intangible assets	9	4.934.184	4.262.710
Deferred tax assets	21	-	220.105
Other non-current assets		328.466	383.774
Total non-current assets		**47.897.262**	**30.690.838**
Total assets		**194.413.348**	**153.419.372**

These financial statements were signed off by the Board of Directors on 14 March 2013. These financial statements are subject to approval of the general assembly of shareholders.

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

BALANCE SHEETS AT 31 DECEMBER 2012 AND 2011

(Amounts are expressed in Turkish Lira (TL) unless otherwise indicated)

	Notes	31 December 2012	31 December 2011
LIABILITIES			
Current liabilities:			
Trade payables	6	146.273.305	119.708.383
- Due to related parties	*23*	*116.023.109*	*85.564.531*
- Other trade payables	*6*	*30.250.196*	*34.143.852*
Other payables	7	1.526.657	1.636.646
Provision for employee benefits	11	1.921.008	1.655.383
Other current liabilities	13	12.507.257	12.721.079
Total current liabilities		**162.228.227**	**135.721.491**
Non-current liabilities:			
Provision for employee benefits	11	1.162.669	985.536
Deferred tax liabilities	21	810.198	-
Other non-current liabilities	13	1.238.240	1.123.765
Total non-current liabilities		**3.211.107**	**2.109.301**
Total liabilities		**165.439.334**	**137.830.792**
EQUITY			
Equity attributable to equity holders of the parent	**14**		
Paid in capital		4.860.000	4.860.000
Inflation adjustment to share capital		47.440.914	47.440.914
Restricted reserves		115.994	115.994
Revaluation funds		25.212.487	9.576.675
Accumulated losses		(46.405.003)	(46.619.323)
Net (loss)/ income for the period		(2.250.378)	214.320
Total equity		**28.974.014**	**15.588.580**
Total liabilities and equity		**194.413.348**	**153.419.372**
Commitments, contingent assets and liabilities	10		

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012 AND 2011

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Notes	1 January - 31 December 2012	1 January - 31 December 2011
Revenue	15	535.571.936	483.040.945
Cost of sales (-)	15	(478.313.942)	(426.601.211)
GROSS PROFIT		**57.257.994**	**56.439.734**
Marketing, selling and distribution expenses (-)	16	(43.552.920)	(43.904.900)
General administrative expenses (-)	16	(14.465.658)	(11.853.621)
Other operating income	18	2.100.461	1.775.537
Other operating expenses (-)	18	(278.312)	(482.072)
OPERATING PROFIT		**1.061.565**	**1.974.678**
Financial income	19	10.348.945	6.078.063
Financial expense (-)	20	(13.453.523)	(7.541.889)
(LOSS)/ PROFIT BEFORE TAX		**(2.043.013)**	**510.852**
Tax expense			
Deferred tax expense	21	(207.365)	(296.532)
(LOSS)/ PROFIT FOR THE PERIOD		**(2.250.378)**	**214.320**
Earnings per share	22	(0.4630)	0.0441
Other comprehensive income:			
Changes in fair value reserve of available-for-sale financial assets		16.458.750	(1.670.625)
Taxes relating to components of other comprehensive income		(822.938)	83.530
Other comprehensive income/(loss)		**15.635.812**	**(1.587.095)**
Total comprehensive income/(loss)		**13.385.434**	**(1.372.775)**

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

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012 AND 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

	Paid in capital	Inflation adjustment to share capital	Revaluation funds	Restricted reserves	Accumulated losses	Net (loss)/income for the period	Total equity
1 January 2011	**4.860.000**	**47.440.914**	**11.163.770**	**115.994**	**(43.265.036)**	**(3.354.287)**	**16.961.355**
Transfers	-	-	-	-	(3.354.287)	3.354.287	-
Total comprehensive after tax income	-	-	(1.587.095)	-	-	-	(1.587.095)
Profit for the period	-	-	-	-	-	214.320	214.320
31 December 2011	**4.860.000**	**47.440.914**	**9.576.675**	**115.994**	**(46.619.323)**	**214.320**	**15.588.580**
1 January 2012	**4.860.000**	**47.440.914**	**9.576.675**	**115.994**	**(46.619.323)**	**214.320**	**15.588.580**
Transfers	-	-	-	-	214.320	(214.320)	-
Total comprehensive after tax income	-	-	15.635.812	-	-	-	15.635.812
Loss for the period	-	-	-	-	-	(2.250.378)	(2.250.378)
31 December 2012	**4.860.000**	**47.440.914**	**25.212.487**	**115.994**	**(46.405.003)**	**(2.250.378)**	**28.974.014**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Notes	1 January - 31 December 2012	1 January - 31 December 2011
Cash flows from operating activities			
Net (loss)/ profit for the year		(2.250.378)	214.320
Adjustments to reconcile of net loss to cash provided from operations:			
Depreciation and amortization	17	4.126.576	3.368.496
Provision for unused vacation	17	396.818	546.600
Interest income	19	(17.442)	(16.542)
Provision for impairment of inventory	8	57.041	93.137
Allowance for doubtful receivables	6	722.795	143.209
Tax expense	21	207.365	296.532
Credit finance expense from purchases on account	6. 23	(1.148.473)	(1.952.238)
Credit finance income from sales on account	6. 23	1.234.388	1.560.301
Provision for employment termination benefits	11	1.176.203	513.901
Net gain on sales of tangible assets		(20.139)	5.832
Cash flows provided before changes in assets and liabilities		**4.484.754**	**4.773.548**
Increase in trade receivables		(20.644.073)	(25.648.897)
Increase in inventories		640.990	(1.824.639)
Increase/decrease in other assets and receivables		(902.193)	(620.874)
Increase/decrease in other payables		(2.745.184)	31.688.918
Increase/decrease in other liabilities		(209.336)	487.917
Increase/decrease in receivables and payables from related parties		29.037.654	(2.576.592)
Taxes paid		-	(2.481)
Employment termination benefits paid	11	(999.070)	(956.942)
Unused vacation payment	11	(131.193)	(163.212)
Collections of doubtful receivables	6	280.010	560.671
Cash flows from operating activities		**8.812.360**	**5.717.417**
Cash flows from investing activities			
Purchases of property. plant and equipment	9	(2.813.049)	(3.217.854)
Purchases of intangible assets	9	(2.073.716)	(3.008.200)
Cash generated from sales of plant. property and equipment	9	53.477	7.936
Net cash used in investing activities		**(4.833.288)**	**(6.218.118)**
Cash flows from financing activities			
Interest received		17.442	16.542
Net cash provided by financing activities		**17.442**	**16.542**
Net change in cash and cash equivalents		**3.996.513**	**(484.159)**
Cash and cash equivalents at the beginning of the year		**1.895.548**	**2.379.707**
Cash and cash equivalents at the end of the year		**5.892.061**	**1.895.548**

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

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 1 - COMPANY'S 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 business is marketing and selling products of Eczacıbaşı Yapı Group in Turkey and providing products and a whole range of services includes projection and planning, orientation and sophisticated presentation, exhibition, consultancy, sales and after-sales services for the renovated bathrooms and kitchens market.

The Company's registered address is as follows:

Büyükdere Cad. Ali Kaya Sok. No.5 Levent-İstanbul

Average number of employees at the periods ended 31 December 2012 and 2011 are as follows:

	31 December 2012	**31 December 2011**
Wholesale	182	172
Retail	130	125
Other	7	15
	319	**312**

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED FINANCIAL INFORMATION

2.1 Basis of Presentation

Financial Reporting Standards

The Company and its Turkish subsidiaries maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislations and the Uniform Chart of Accounts issued by the Ministry of Finance and accounting principles issued by the Capital Markets Board ("CMB"). The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

The CMB regulates the principles and procedures of preparation, presentation and announcement of financial statements prepared by entities through the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" (the "Communiqué"). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25, "The Financial Reporting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the Public Oversight Accounting and Auditing Standards Authority ("POAASA") announces the differences between IAS/IFRS as adopted by the European Union and those issued by the International Accounting Standards Board ("IASB"), Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the POAASA will continue to be in line with standards issued by the IASB.

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

2.1 Basis of Presentation (Continued)

The financial statements and the related notes to them are presented in accordance with the formats required at the announcements of CMB dated 14 April 2008, 9 January 2009 and 25 October 2010. As per CMB's Communiqué Serial XI, No:29 and its announcements clarifying this communiqué, enterprises are obliged to present the hedging rate of their total foreign exchange liability and export and import amounts in the notes to the financial statements (Note 24).

These financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

In order to give accurate trend analysis regarding the financial position and performance, the financial statements are presented along with comparative information as of the previous period. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period financial information.

Inflation Adjustments to the Financial Statements

In accordance with the CMB's resolution issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, IAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying financial statements.

Presentation in Currency

The Company's financial statements are presented in Turkish Lira (TL) , currency of the primary economic environment in which the entity operates.

Comparative Information and Restatement of Prior Period's Financial Statements

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.

The Company made reclassifications to the prior period's financial information in order to maintain consistency with presentation of current period financial information.

TL 11.052.727 previously presented under 'Advances received' in the balance sheet as of 31 December 2011 was reclassified to 'Other non-current liabilities' in the balance sheet as of 31 December 2012.

Going Concern and Continuity of the Operations

The financial statements including the accounts have been prepared assuming that the Company will continue its operations and it will be able to realize its assets and discharge it liabilities in the normal course of business.

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

2.2 Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are summarized below.

Cash and cash equivalents

Cash and due from banks are presented on the balance sheet with their acquisition values. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with insignificant risk of value in exchange and original maturities of 3 months or less, and marketable securities with original maturities of less than 3 months (Note 4).

Trade receivables and provision for impairment

Trade receivables that are originated by the Company by way of providing goods or services directly to a debtor are carried at amortized 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 financial statements, shareholders, key management personnel (general managers, head of group, vice general managers, vice head of group and factory managers) and Board members, in each case together with the companies controlled by/or affiliated with them, associated companies and other companies within the Company are considered and referred to as related parties (Note 23).

Credit finance income/expenses

Credit finance income/expenses represent imputed finance income/expenses on credit sales and purchases. Such income/expenses are recognized as financial income or expenses over the term of credit sale and purchases, and included under financial income and expenses (Note 19 and Note 20).

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on weighted moving average methods. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down (Note 8).

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

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

2.2 Summary of significant accounting policies (Continued)

Property 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 (Note 9).

	Useful Life
Machinery and equipment	4-15 years
Furniture and fixtures	4-15 years
Leasehold improvements	2-3 years

Assets that are subject to depreciation 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 amortization and impairment of adjusted acquisition cost. Intangible fixes assets amortized with straight-line method over the expected useful life for less than 3 year after the acquisition date (Note 9).

Borrowing costs

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 investments

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. Derivatives are also categorized as held for trading unless they are designated as hedges.

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

2.2 Summary of significant accounting policies (Continued)

Non-derivative financial assets 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.

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’, ‘held-to-maturity investments’, ‘available-for-sale’ financial assets and ‘loans and receivables’ (Note 5).

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 recognized 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 fair 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 recognized 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.

iv) Measurement principles of fair value

The fair value of financial instruments, which is not written down on the reporting 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.

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

2.2 Summary of significant accounting policies (Continued)

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 simultaneously recognized on the same date. The Company's loans, receivables and held-to-maturity investments are derecognized on the date they are transferred 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.

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 (Note 21).

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

2.2 Summary of significant accounting policies (Continued)

Revenue recognition

Sales activities of the wholesale and retail departments of the Company, product sales and kitchen sales activities are sales services. 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 (Note 15). 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 recognized as interest income (Note 19)

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 (Note 11).

Provisions, contingent liabilities and contingent 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.

The amount recognized 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.

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

2.2 Summary of significant accounting policies (Continued)

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 referred to as related parties (Not 23).

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. 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 are determined by dividing net income distributable to shareholders by the weighted average number of disposed ordinary shares (Note 22).

Subsequent events

Events following the balance sheet date, also known as ‘subsequent events’ include any favorable or unfavorable event that took place between the balance sheet date and the publication date of the balance sheet, despite any possible event that might arise after the publicization of any information regarding profits or other financial figures.

The Company adjusts its financial statements if such adjusting subsequent events arise.

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 activities. Cash flows from investing activities summarize the Company’s cash flows used in or generated from investing activities (fixed and financial investments).

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

2.2 Summary of significant accounting policies (Continued)

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.

Segmental information

The Company's two major operating segments for the evaluation of the performance and the decision for the allocation of resources. These segments are managed separately because these segments are affected from different economic conditions based on risk and profitability (Note 3).

2.3 Critical accounting estimates and assumptions

The preparation of financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that may have a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

Net realizable value of inventory

As stated above (Note 2.2), inventories are valued at the cost or net realizable value. The Company's management determined that, cost of inventories is lower than its' net realizable value. 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 balance sheet date, the Company management has identified that net realizable value of certain inventory items are lower than their cost and accounted for a provision for the aforementioned items amounting to TL 749,718 (31 December 2011: TL 692,677) as of 31 December 2012. Provision expense is included in cost of goods sold for the year (Note 8).

Deferred taxes

The Group calculates the deferred tax assets and liabilities with the impact of temporary differences occurred by the different evaluation of balance sheet items prepared by CMB Financial Reporting Standards and the financial statements prepared by the related tax rules. Partially or wholly recoverable amount of deferred tax assets have been estimated regarding current conditions. While evaluating deferred tax assets, future profit and loss projections, current statutory losses, expiration dates of carried forward tax losses and other tax assets and tax planning strategies are considered (Note 21).

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

2.3 Summary of significant accounting policies (Continued)

Utilization of carry forward tax losses

Deferred tax assets are recognized when generation of sufficient future taxable profits is probable.

As of 31 December 2012, the Company has carry forward tax losses amounting to TL 7.671.251. The Company management foresees that the Company has strength probability of ability to utilize carry-forward tax losses amounting to TL 2.250.769 and consequently, the Company has accounted for deferred tax asset amounting to TL 450.153 as of 31 December 2012.

2.4 Amendments in International Financial Reporting Standards

Standards those have been effective as of 1 January 2012, and the standards, amendments and interpretations to existing standards:

- IFRS 7 (Amendment), “Financial Instruments: Disclosures”, is effective as of 1 July 2011; and on. The amendment is performed for increasing transparency in transfers, and for having a better understanding of the risks which stem from transfer of financial assets, and their influence on the financials of the Company.
- IFRS 1 (Amendment), “First time adoption of IFRS”, is effective as of 1 July 2011 and on.
- IAS 12 (Amendment), "Income taxes", is effective as of 1 January 2012 and on. The amendment comes up with an exception for the measurement of deferred tax assets and liabilities related to the real estates owned for investment purposes.

Above mentioned amendments to the standards have no material effect on the financial statements.

Standards that have been effective, and not been pre-applied by the Company:

- IAS 19 (Amendment), “Employee Benefits”, is effective as of 1 July 2012 and on.
- IAS 1 (Amendment), “Presentation of Financial Statements”, is effective as of 1 July 2012 and on.
- IFRS 10, “Consolidated Financial Statements”, is effective as of 1 January 2013 and on.
- IFRS 11, “Joint arrangements”, is effective as of 1 January 2013 and on.
- IFRS 12, “Disclosures of Interests in Other Entities”, is effective as of 1 January 2013 and on.
- IFRS 13, “Fair Value Measurement”, is effective as of 1 January 2013 and on.
- IAS 27 (Revision), “Separate Financial Statements”, is effective as of 1 January 2013 and on.
- IAS 28 (Revision), “Investments in Associates”, is effective as of 1 January 2013 and on
- IFRS 7 (Amendment), “Financial Instruments: Disclosures”, is effective as of 1 January 2013; and on.
- IAS 32 (Amendment), “Financial instruments: Presentation” and IFRS 7 (Amendment) “Financial instruments: Disclosures”, is effective as of 1 January 2014 and on.
- IFRS 1 (Amendment), “First time adoption of IFRS” is the amendment performed about the accounting of public loans, and is effective as of 1 January 2013 and on.
- IFRS 9, “Financial instruments”, is effective as of 1 January 2015 and on.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

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

2.4 Amendments in International Financial Reporting Standards (Continued)

- IFRS 10, "Consolidated financial statements", IFRS 12 and IASS 27, "Investments in Associates" (amendment), are effective as of 1 January 2014.
- IFRIC 20 , "Stripping Costs in the Production Phase of a Surface Mine".

NOTE 3 - SEGMENT REPORTING

As of 31 December 2012, wholesale 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 segments on their own.

1 January - 31 December 2012	**2012**	**2011**
Net sales, Wholesale	449.057.110	408.873.975
Net sales, Retail	91.307.440	74.879.150
Net sales, Other	5.114.015	6.208.379
Net sales. total	**545.478.565**	**489.961.504**
Cost of sales (-)	(490.733.371)	(435.229.496)
Gross Profit	**54.745.194**	**54.732.008**
Marketing, selling and distribution expenses (-)	(43.447.764)	(43.833.703)
General administrative expenses (-)	(13.336.125)	(13.020.259)
Operating Profit	**(2.068.695)**	**(2.121.954)**
Amortization and depreciation	4.870.091	4.463.506
EBITDA	**2.801.396**	**2.341.552**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 3 - SEGMENT REPORTING (Continued)

Segmental depreciation, amortization and capital expenditures for the years ended 31 December 2012 and 2011 are as follows:

1 January - 31 December 2012	Wholesale	Retail	Other	Total
Capital expenditures	3.110.448	1.769.466	6.850	**4.886.764**
Depreciation and amortization	(2.746.729)	(1.315.255)	(64.592)	**(4.126.576)**

1 January - 31 December 2011	Wholesale	Retail	Other	Total
Capital expenditures	3.960.013	2.237.441	28.600	**6.226.054**
Depreciation and amortization	(2.207.527)	(1.085.196)	(75.773)	**(3.368.496)**

The reconciliation of EBITDA and loss before tax presented in statement of income is as follows:

	1 January - 31 December 2012	1 January - 31 December 2011
EBITDA	2.801.396	2.341.552
Interest costs from purchases on credit (Note 20)	1.148.473	1.952.238
Impairment of inventories (Note 8)	(57.041)	(93.137)
Depreciation and amortization (Note 17)	(4.126.576)	(3.368.496)
Interest income from sales on credit (Note 19)	(1.234.388)	(1.560.322)
Provision for doubtful receivables	177.888	185.746
Provision for employment termination benefits	(177.133)	443.041
Provision for unused vacation	(265.625)	(383.388)
IFRS classification differences	972.422	1.163.979
	(760.584)	**681.213**
Other operating income	2.100.461	1.775.537
Other operating expense	(278.312)	(482.072)
Operating profit	**1.061.565**	**1.974.678**
Financial income	10.348.945	6.078.063
Financial expense	(13.453.523)	(7.541.889)
(Loss)/ profit before tax	**(2.043.013)**	**510.852**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2012	31 December 2011
Cash	55.790	68.322
Demand deposits	5.836.271	1.827.226
	5.892.061	**1.895.548**

As of 31 December 2012, the Company's "Direct Collection System" caused deposits at banks to be blocked for two days at most, is amounting to TL 5,098,785 (31 December 2011: TL 1.294.143).

NOTE 5 - FINANCIAL INVESTMENTS

	31 December 2012		31 December 2011	
	Share	Amount	Share	Amount
Available-for sale financial assets	5,48	33.783.750	5,48	17.325.000
Financial assets carried at cost as they; are not traded in an active market	0,25	8.083	0,25	8.083
		33.791.833		**17.333.083**

	31 December 2012	
Available-for sale financial assets	**Fair value**	**Historical cost**
Common stocks	33.783.750	7.244.290

Not publicly traded	**31 December 2012**	**31 December 2011**
Eczacıbaşı Sigorta Acenteliği A.Ş. (*)	8.083	8.083

(*) As of 31 December 2012, shares of Eczacıbaşı Sigorta Acenteliği A.Ş. are carried at cost adjusted for inflation as at 31 December 2004 as they are not traded in an active market.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Short term receivables	**31 December 2012**	**31 December 2011**
Trade receivables	79.437.670	81.980.241
Notes receivable	52.502.753	31.782.539
	131.940.423	**113.762.780**
Less: Provision for trade receivables	(5.421.198)	(4.978.413)
Less: Unaccrued finance income from sales on account	(1.201.019)	(1.559.010)
	125.318.206	**107.225.357**
Due from related parties (Note 23)	3.380.567	1.959.642
Trade receivables	**128.698.773**	**109.184.999**

Long term trade receivables	**31 December 2012**	**31 December 2011**
Notes receivables	325.000	-
Trade receivables	11.988	-
	336.988	**-**
Less: Unaccrued finance income from sales on account	(22.958)	-
	314.030	**-**

The movement of the Company's allowance for doubtful receivables fort the period ended on 31 December 2012 and 2011 is as follows:

	1 January - 31 December 2012	**1 January - 31 December 2011**
Balance as of 1 January	**(4.978.413)**	**(5.395.875)**
Additions	(722.795)	(143.209)
Collections	280.010	560.671
Balance as of 31 December	**(5.421.198)**	**(4.978.413)**

The Company's receivables guaranteed by "Direct Collection System" amount to TL 74.583.190 as of 31 December 2012 (31 December 2011: 34.176.566).

The average collection period of trade receivables is 3 months (31 December 2011: 3 months). Trade receivables are discounted with effective annual interest rate of 6,87 % (31 December 2011: 10,60%).

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations. A significant portion of the trade receivables are from dealers and related parties. The Company has established an effective control mechanism that traces that risk arising from these business activities. These risks are limited for each debtor and loan-limits are pre-determined. The Company has ensured the collectability of these receivables via Direct Collection System ("DBS"). The company has guaranteed the receivables equal to the balance in the bank deposits of the customers; and collects the receivables from banks. DBS is also applied for receivables from dealers; and this also is an effective in having the sufficient level of guarantees directly from the dealers. Having the sufficient level of guarantee directly from the dealers is another method used in loan risk-management. Having the maximum level of guarantee for managing the risk arose from the non-related parties is a principle adopted by the Company. In this context; some other methods are also applied as alternatives to DBS; which are;

- Bank guarantee (guarantee letters, letters of credit etc.),
- Real-estate mortgages,
- Cheques and bonds

For the customers that are not ensured by any guarantees, financial standing, past-experiences and other relevant factors are considered; credibility of the customer is revaluated; and as a result customer-specific loan limits are determined reviewed on a periodical basis.

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Company's management mitigates this risk through limitations on the contracts made with counterparties and obtaining sufficient collaterals where appropriate. The Company manages this risk by the credit limits up to the guarantees received from customers. Trade receivables contain many customers from various industries and geographical areas. Customers are evaluated based on their balances in the accounts receivable on a consistent basis; and the receivables are insured as needed. The aging of the overdue receivables for which no allowance is made as of 31 December 2012 and 2011 is as follows:

	31 December 2012	**31 December 2011**
Overdue between 1-30 days	3.991.792	5.034.522
Overdue between 1-3 months	3.424.718	3.014.002
Overdue between 3-12 months	1.688.427	971.811
Overdue between 1-5 years	253.097	1.268.326
	9.358.034	**10.288.661**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

	Trade receivables		**Other receivables**		**Bank**	
31 December 2012	**Related party**	**Other**	**Related party**	**Other**	**deposits**	**Other**
Maximum credit risk exposure as of balance sheet date	**3.380.567**	**125.632.236**	**-**	**85.205**	**5.836.271**	**-**
- Under guarantee with collaterals. etc.	**-**	***(66.800.945)***	**-**	**-**	**-**	**-**
A. Net book value of financial assets that are neither past nor impaired	3.380.567	108.119.690	-	82.205	5.836.271	-
- Under guarantee with collaterals, etc.	-	(60.463.682)	-	-	-	-
B. Book value of restructured financial assets	-	2.019.283	-	-	-	-
- Under guarantee with collaterals, etc.	-	(2.019.283)	-	-	-	-
C. Net book value of past due but not impaired financial assets	-	9.358.034	-	-	-	-
- Under guarantee with collaterals, etc.	-	(3.917.980)	-	-	-	-
D. Net book value of	-	5.821.198	-	-	-	-
- Past due (Gross carrying amount)	-	5.821.198	-	-	-	-
- Impairment (-)	-	(5.421.198)	-	-	-	-
- Under guarantee with collaterals, etc.	-	(400.000)	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

	Trade receivables		Other receivables		Bank	
31 December 2011	**Related party**	**Other**	**Related party**	**Other**	**deposits**	**Other**
Maximum credit risk exposure as of balance sheet date	**1.959.642**	**107.225.357**	**-**	**78.774**	**1.827.226**	**-**
- Under guarantee with collaterals, etc.	-	***(48.694.346)***	-	-	-	-
A. Net book value of financial assets that are neither past nor impaired	1.959.642	91.958.283	-	-	1.827.226	-
- Under guarantee with collaterals, etc.	-	(28.363.487)	-	-	-	-
B. Book value of restructured financial assets	-	-	-	-	-	-
- Under guarantee with collaterals, etc.	-	-	-	-	-	-
C. Net book value of past due but not impaired financial assets	-	10.288.661	-	-	-	-
- Under guarantee with collaterals, etc.	-	(2.479.315)	-	-	-	-
D. Net book value of	-	5.788.413	-	-	-	-
- Past due (Gross carrying amount)	-	5.788.413	-	-	-	-
- Impairment (-)	-	(4.978.413)	-	-	-	-
- Under guarantee with collaterals, etc.	-	(810.000)	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

	31 December 2012	31 December 2011
Trade payables	30.561.811	34.170.804
	30.561.811	**34.170.804**
Less: Unaccrued finance expense from purchases on account	(311.615)	(26.952)
	30.250.196	**34.143.852**
Related party payables (Note 23)	116.023.109	85.564.531
Trade payables	**146.273.305**	**119.708.383**

The Company's trade payables have an average maturity date of less than 4 months (31 December 2011: less than 4 months) and effective annual discount rate of 6,87% is applied to the trade payables (31 December 2010: 10,10%).

NOTE 7 - OTHER PAYABLES

The other short term payables as of 31 December 2012 ve 2011 as follows:

	31 December 2012	31 December 2011
Taxes and funds payable	1.023.838	811.703
Social security premiums payable	480.773	809.671
Other payables	22.046	15.272
	1.526.657	**1.636.646**

NOTE 8 - INVENTORIES

	31 December 2012	31 December 2011
Trade goods	9.200.975	10.045.066
Other inventories	473.012	269.911
	9.673.987	**10.314.977**
Provision for impairment of inventory (-)	(749.718)	(692.677)
	8.924.269	**9.622.300**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

The movement of provision for impairment of inventory is as of 31 December 2012 and 2011 as follows:

	1 January - 31 December 2012	1 January - 31 December 2011
Balance as of 1 January	**(692.677)**	**(599.540)**
Current period expense, net	(57.041)	(93.137)
Balance as of 31 December	**(749.718)**	**(692.677)**

In the current year, the Company has identified certain inventory items where the net realizable values were below the cost of the related inventory. Consequently, the Company has accounted for a provision amounting to TL 749.718 (31 December 2011: TL 692.677) for inventory.

The cost of inventories recognized as expense and included in “cost of sales” amounted to TL 477.617.319 (2011: TL 425.644.819).

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment

	1 January 2012	Additions	Disposals	31 December 2012
Cost:				
Machinery and equipment	12.980	-	-	12.980
Furniture and fixtures	14.764.597	1.142.005	(85.362)	15.821.240
Leasehold improvements	9.679.047	1.671.044	(614.361)	10.735.730
	24.456.624	**2.813.049**	**(699.723)**	**26.569.950**
Accumulated depreciation:				
Machinery and equipment	(5.815)	(1.298)	-	(7.113)
Furniture and fixtures	(9.732.713)	(1.527.415)	31.885	(11.228.243)
Leasehold improvements	(6.253.000)	(1.195.621)	614.361	(6.834.260)
	(15.991.528)	**(2.724.334)**	**646.246**	**(18.069.616)**
Net book value	**8.465.096**			**8.500.334**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

Cost:	**1 January 2011**	**Additions**	**Disposals**	**31 December 2011**
Machinery and equipment	12.980	-	-	12.980
Furniture and fixtures	13.414.216	1.359.093	(8.712)	14.764.597
Leasehold improvements	7.820.286	1.858.761	-	9.679.047
Accumulated depreciation:	**21.247.482**	**3.217.854**	**(8.712)**	**24.456.624**
Machinery and equipment	(4.517)	(1.298)	-	(5.815)
Furniture and fixtures	(8.182.014)	(1.551.475)	776	(9.732.713)
Leasehold improvements	(5.191.492)	(1.061.508)	-	(6.253.000)
	(13.378.023)	**(2.614.281)**	**776**	**(15.991.528)**
Net book value	**7.869.459**			**8.465.096**

Intangible Assets

Cost:	**1 January 2012**	**Additions**	**Disposals**	**31 December 2012**
Software	10.388.174	2.073.716	-	12.461.890
	10.388.174	**2.073.716**	**-**	**12.461.890**
Accumulated amortization:				
Software	(6.125.464)	(1.402.242)	-	(7.527.706)
	(6.125.464)	**(1.402.242)**	**-**	**(7.527.706)**
Net book value	**4.262.710**			**4.934.184**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

Cost:	**1 January 2011**	**Additions**	**Disposals**	**31 December 2011**
Software	7.379.974	3.008.200	-	10.388.174
	7.379.974	**3.008.200**	**-**	**10.388.174**
Accumulated amortization:				
Software	(5.371.249)	(754.215)	-	(6.125.464)
	(5.371.249)	**(754.215)**	**-**	**(6.125.464)**
Net book value	**2.008.725**			**4.262.710**

TL 1.813.976 of depreciation and amortization is reflected in marketing, sales and distribution expenses, TL 2.312.600 is reflected in general administrative expenses. (2011: TL 1.571.185: in marketing, sales and distribution expenses, TL 1.797.311 in general administrative expenses, respectively),

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are summarized as follows:

	31 December 2012	**31 December 2011**
Mortgages	30.128.780	30.890.780
Guarantees received	32.523.002	17.803.566
	62.651.782	**48.694.346**

Total amount of Collateral, Pledges and Mortgages ("CPM") that the Company has given on its own behalf is TL 243.771 as of 31 December 2012 (31 December 2011: TL 2.984.921).

		31 December 2012	**31 December 2011**
A.	Total amount of CPM given on its own behalf	243.771	2.984.921
B.	Total amount of CPM given on behalf of its subsidiaries included to the consolidation	-	-
C.	Total amount of CPM given in order to guarantee third parties' debt for the routing trade operations	-	-
D.	Total amount of other CPM	-	-

No CPMs were given in order to guarantee the debt of shareholders, Eczacıbaşı Group companies or third parties.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Operating lease liabilities

As of 31 December 2012, the Company has leased 123 motor vehicles through operating lease (31 December 2011: 121 motor vehicles). As of 31 December 2012 and 31 December 2011 the Company's lease liabilities for future periods arising from operating lease agreements is summarized as follows:

Non-cancelable operating lease commitments	31 December 2012	31 December 2011
To be paid within 1 year	1.384.661	1.314.099
To be paid within 1-2 years	1.174.700	1.164.603
To be paid within 2-5 years	1.237.981	1.338.557
	3.797.342	**3.817.259**

NOTE 11 - PROVISION FOR EMPLOYEE BENEFITS

Provision for unused vacation:	31 December 2012	31 December 2011
Unused vacation provision	1.921.008	1.655.383
	1.921.008	**1.655.383**

The movement of the unused vacation provision as of 1 January-31 December 2012 and 2011 is as follows:

	2012	2011
1 January	**1.655.383**	**1.271.995**
Charge for the period	396.818	546.600
Payments made during the year	(131.193)	(163.212)
31 December	**1.921.008**	**1.655.383**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 11 - PROVISION FOR EMPLOYEE BENEFITS (Continued)

Provision for employment termination benefits:

Employee termination benefit provision is recorded according to the following descriptions. There has been no retirement plan except the legal requirement explained below.

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 3.034 (2011: TL 2.732) for each period of service at 31 December 2012.

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

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees:

	31 December 2012	31 December 2011
Discount rate (%)	1,58	4,53

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. As the maximum liability is revised semi annually, the maximum amount of TL 3.129 effective from 1 January 2013 has been taken into consideration in calculation of provision from employment termination benefits(1 January 2012: TL 2.805).

The movement of the employee termination benefits as of 1 January- 31 December 2012 and 2011 as follows:

	2012	2011
1 January	**985.536**	**1.428.577**
Service cost	1.091.586	439.364
Actuarial loss	39.972	7.934
Interest cost	44.645	66.603
Employee termination benefits paid	(999.070)	(956.942)
31 December	**1.162.669**	**985.536**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 12 - OTHER CURRENT ASSETS

The details of the other current assets as of 31 December 2012 and 2011 as follows:

	31 December 2012	31 December 2011
Prepaid expenses	1.169.356	1.046.083
Deferred VAT	1.110.676	682.710
Order advances given	619.531	218.582
Advances given to personnel	31.614	7.357
Job advances	10.397	9.235
Prepaid taxes and funds	2.616	2.481
Other	-	6.535
	2.944.190	**1.972.983**

NOTE 13 - OTHER SHORT AND LONG TERM LIABILITIES

The details of the short and long term liabilities as of 31 December 2012 and 2011 as follows:

Other short term liabilities	31 December 2012	31 December 2011
Order advances received	10.871.879	11.052.727
Deferred revenues (*)	997.377	811.004
Accrued salaries and wages	503.298	756.281
Accrual for expenses	134.703	101.067
	12.507.257	**12.721.079**

Other long term liabilities	31 December 2012	31 December 2011
Deferred revenues (*)	1.238.240	1.123.765
	1.238.240	**1.123.765**

(*) As of 31 December 2012, deferred revenue contains amounts pre- billed to Eczacibasi group companies for installation of Company’s integrated program, tables and other capital investments.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 14 - EQUITY

The structure of the share capital as of 31 December 2012 and 2011 is as follows:

	Share %	**31 December 2012**	**Share %**	**31 December 2011**
Eczacıbaşı Yatırım Holding Ort. A.Ş.(*)	44,69	2.171.978	43,57	2.117.406
Eczacıbaşı Holding A.Ş.	27,43	1.333.121	27,43	1.333.121
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
Publicly traded shares	24,7	1.200.258	25,82	1.254.830
	100,00	**4.860.000**	**100,00**	**4.860.000**
Inflation adjustment		47.440.914		47.440.914
Total share capital		**52.300.914**		**52.300.914**

(*) As a result of the share purchases from the stock exchange in the year 2012; Eczacıbaşı Yatırım Holding Ortaklığı A.Ş holds 44,69% of total shares outstanding as of 31 December 2012.

Dividend Distribution:

Dividend is distributed according to Communiqué Serial: IV, No: 27 on "Principles Regarding Distribution of Interim Dividends for the quoted entities subjected to Capital Market Board Law", principles on corporate articles and dividend distribution policy which is declared by the Companies to market.

In addition, according to mentioned Board Decision, it is stipulated that companies which have the obligation to prepare financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the financial statements that will be prepared and announced to the public in accordance with the Communiqué XI No: 29 providing the profits can be met by the sources in their statutory records.

Reserves subject to dividend distribution:

The Company's has no distributable profit on statutory accounts or reserves after the deduction of accumulated deficits that may subject to dividend distribution as of balance sheet date (31 December 2011: None).

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 14 - EQUITY (Continued)

Financial asset revaluation fund:

Financial assets fair value reserve consists of changes in fair value of available-for-sale financial assets. In the event of the disposition of a revalued financial asset at fair value, revalued portion and the sale proceed difference is directly accounted in profit or loss. In case of a revalued at fair value financial assets impairment, amount impaired is accounted in period profit or loss.

	31 December 2012	31 December 2011
Financial assets revaluation fund	25.212.487	9.576.675
	25.212.487	**9.576.675**

Restricted reserves:

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

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's share/authorized 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 share/authorized share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of share/authorized share capital.

The aforementioned legal reserves and special reserves shall be classified in "Restricted reserves" in accordance with CMB Financial Reporting Standards. The total amount of legal reserves of the company is TL 115.994 as of 31 December 2012 (31 December 2011: TL 115.994).

	31 December 2012	31 December 2011
Legal reserves	115.994	115.994

As of 31 December 2012 and 2011 accumulated losses, according to statutory financial statements is as follows:

	31 December 2012	31 December 2011
Extraordinary reserves	1.485.088	1.485.088
Accumulated losses	(47.890.091)	(48.104.411)
	(46.405.003)	**(46.619.323)**

NOTE 14 - EQUITY (Continued)

Public companies distribute dividends according to CMB regulations as follows:

In accordance with the CMB's requirements which were effective until 1 January 2008, the amount generated from first-time application of inflation adjustments on financial statements, and followed under the "accumulated loss" item was taken into consideration as a reduction in the calculation of profit distribution based on the inflation adjusted financial statements within the scope of the CMB's regulation issued on profit distribution. The related amount that was followed under the "accumulated loss" item could also be offset against the profit for the period (if any) and undistributed retained earnings and the remaining loss amount could be offset against capital reserves arising from the restatement of extraordinary reserves, legal reserves and equity items, respectively.

In addition, in accordance with the CMB's requirements which were effective until 1 January 2008, at the first-time application of inflation adjustments on financial statements, equity items, namely "Capital issue premiums", "Legal reserves", "Statutory reserves", "Special reserves" and "Extraordinary reserves" were carried at nominal value in the balance sheet and restatement differences of such items were presented in equity under the "Shareholders' equity inflation restatement differences" line item in aggregate. "Shareholders' equity inflation restatement differences" related to all equity items could only be subject to the capital increase by bonus issue or loss deduction, while the carrying value of extraordinary reserves could be subject to the capital increase by bonus issue; cash profit distribution or loss offsetting.

However, in accordance with the Communiqué Series: XI, No: 29 issued on 1 January 2008 and other related CMB's announcements, "Share capital", "Restricted profit reserves" and "Premium in capital stock" should be carried at their registered amounts in statutory records. Restatement differences (e.g. inflation restatement differences) arising from the application of the Communiqué should be associated with:

- "Capital restatement differences" account, following the "Share capital" line item in the financial statements, if such differences are arising from "Share capital" and not added to capital;
- "Retained earnings/(accumulated loss)", if such differences are arising from "Restricted profit reserves" and "Premium in capital stock" and has not been subjected to profit distribution or capital increase.

Other equity items are carried at the amounts that are valued based on the CMB's Financial Reporting Standards.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 15 - REVENUE AND COST OF SALES

The details of the revenue and cost of sales as of 31 December 2012 and 2011 as follows:

Revenue	**2012**	**2011**
Domestic sales	1.012.288.271	872.973.778
Export sales	784.824	750.243
Sales return (-)	(3.677.254)	(3.202.011)
Sales discount (-)	(473.823.905)	(387.481.065)
Sales revenue	**535.571.936**	**483.040.945**

Cost of sales	**2012**	**2011**
Cost of goods sold	(477.617.319)	(425.644.819)
Cost of service sold	(696.623)	(956.392)
Cost of sales	**(478.313.942)**	**(426.601.211)**

NOTE 16 - MARKETING, SELLING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2012	**1 January - 31 December 2011**
Marketing, selling and distribution expenses (-)		
Personnel	18.301.352	18.329.146
Rent	8.795.789	8.487.791
Advertisement	3.272.648	4.154.829
Transportation	2.660.948	2.354.136
Depreciation and amortization	1.813.976	1.571.185
Storage	1.560.316	1.333.885
Fuel, energy and water	1.267.850	967.958
Outsources services	1.258.869	1.253.996
Travel	1.050.555	1.491.637
Office supplies	677.874	244.202
Communication	423.661	984.859
Consultancy	423.344	605.321
Other	2.045.738	2.125.955
	43.552.920	**43.904.900**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 16 - MARKETING, SELLING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

	1 January - 31 December 2012	1 January - 31 December 2011
General administrative expenses (-)		
Personnel	3.277.723	2.954.829
Consultancy	2.897.367	2.636.921
Depreciation and amortization	2.312.600	1.797.311
Maintenance	1.184.227	1.084.429
Employment termination benefits	1.176.203	513.901
Outsourced services	831.063	706.679
Communication	638.024	157.845
Rent	398.203	405.173
Provision for unused vacation	396.818	546.600
Advertisement	241.691	267.663
Office supplies	180.796	213.252
Other	930.943	569.018
	14.465.658	**11.853.621**

NOTE 17 - EXPENSES BY NATURE

	1 January - 31 December 2012	1 January - 31 December 2011
Personnel	21.579.075	21.283.975
Rent	9.193.992	8.892.964
Depreciation and amortization	4.126.576	3.368.496
Advertisement	3.514.339	4.422.492
Consultancy	3.320.711	3.242.242
Transportation	2.660.948	2.354.136
Outsourced services	2.089.932	1.960.675
Storage	1.560.316	1.333.885
Fuel. energy and water	1.267.850	967.958
Maintenance	1.184.227	1.084.429
Employment termination benefits	1.176.203	513.901
Communication	1.061.685	1
Travel	1.050.555	1.491.637
Office supplies	858.670	457.454
Provision for unused vacation	396.818	546.600
Other	2.976.681	2.694.973
	58.018.578	**55.758.521**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 18 - OTHER OPERATING INCOME/ (EXPENSES)

Other operating income

	1 January - 31 December 2012	1 January - 31 December 2011
Rent income	1.208.852	1.075.544
Marketing support service income	461.297	338.355
Insurance claims income	38.759	65.738
Proceed from sale of fixed assets	20.139	-
Other	371.414	295.900
	2.100.461	**1.775.537**

Other operating expense (-)

	1 January - 31 December 2012	1 January - 31 December 2011
Donation expenses	7.138	195.490
Loss on sale of fixed assets	-	5.832
Other	271.174	280.750
	278.312	**482.072**

NOTE 19 - FINANCIAL INCOME

	1 January - 31 December 2012	1 January - 31 December 2011
Credit finance income	10.280.166	6.057.863
Other	68.779	20.200
	10.348.945	**6.078.063**

NOTE 20 - FINANCIAL EXPENSES

	1 January - 31 December 2012	1 January - 31 December 2011
Credit finance expenses	(13.304.234)	(7.424.347)
Other financial expenses	(149.289)	(117.542)
	(13.453.523)	**(7.541.889)**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 21 - TAX ASSETS AND LIABILITIES

Deferred Income Taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Financial Reporting Standards and their statutory tax financial statements.

Tax rates used for deferred income tax assets and liabilities calculated on temporary differences that are expected to be realized or settled based on taxable income under the liability method are 20% in Turkey. (31 December 2011: %20).

The deferred income taxes and accumulated temporary difference and effective tax rates as of 31 December 2012 and 2011as follows:

	Cumulative temporary differences		**Deferred tax assets/ (liabilities)**	
	31 December 2012	**31 December 2011**	**31 December 2012**	**31 December 2011**
Deferred tax asset				
Tax losses carried forward	2.250.766	3.115.950	450.153	623.190
Provision for employment termination benefits	1.921.008	1.655.383	384.202	331.077
Employment termination benefits	1.162.669	985.536	232.538	197.107
Unrealized credit finance income	722.035	1.201.840	144.407	240.368
Provision for impairment on inventory	749.718	692.677	149.941	138.535
Provision for doubtful receivables	81.465	259.355	16.293	51.871
	6.887.661	**7.910.741**	**1.377.534**	**1.582.148**
Deferred tax liabilities				
Valuation of financial assets available for sale "Revaluation Funds" associated with the outside part of tax exemption of 75%	26.539.460	10.080.740	1.326.973	504.037
Property plant and equipment and intangible assets	3.156.276	2.337.792	631.064	467.558
Unincurred credit finance expenses	1.148.473	1.952.238	229.695	390.448
	30.844.209	**14.370.770**	**2.187.732**	**1.362.043**
Deferred tax (liabilities)/assets. net			**(810.198)**	**220.105**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

As of 31 December 2012. the Company has carry forward tax losses amounting to TL 7.671.251. The Company management foresees that the Company has strength probability of ability to utilize carry-forward tax losses amounting to TL 2.250.769 and consequently. the Company has accounted for deferred tax asset amounted as of 31 December 2012 to TL 450.153.

	31 December 2012	**31 December 2011**
2014	2.965.373	2.965.373
2015	2.455.110	2.455.110
2016	664.498	660.841
2017	1.586.270	-
	7.671.251	**6.081.324**

Expiration dates as of 31 December 2012 and 2011 of the unused tax losses are as follows:

Deferred tax asset:	**31 December 2012**	**31 December 2011**
- Deferred tax assets to be realized in twelve months	694.843	761.851
- Deferred tax assets to be realized after twelve months	682.691	820.297
	1.377.534	**1.582.148**

Deferred tax liabilities:	**31 December 2012**	**31 December 2011**
- Deferred tax liabilities to be settled in twelve months	1.556.668	894.485
- Deferred tax liabilities to be settled after twelve months	631.064	467.558
	2.187.732	**1.362.043**
Deferred tax (liabilities)/ assets, net	**(810.198)**	**220.105**

Movements in deferred taxes as of 31 December 2012 and 2011 can be analyzed as follows:

	2012	**2011**
1 January	**220.105**	**433.107**
Deferred tax expense	(207.365)	(296.532)
Off set against financial asset revaluation surplus	(822.938)	83.530
31 December	**(810.198)**	**220.105**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

Movements in deferred tax expenses as of 31 December 2012 and 2011 can be analyzed as follows:

	1 January - 31 December 2012	**1 January - 31 December 2011**
Corporate tax expense	-	-
Deferred tax expense	(207.365)	(296.532)
Total tax expense	**(207.365)**	**(296.532)**

	31 December 2012	**31 December 2011**
Provision for current period tax expense	-	-
Prepaid tax	-	-
Provision for taxes	**-**	**-**

Reconciliation of tax expenses stated in consolidated statements of income to loss before tax for the periods ended at 31 December 2012 and 2011 is as follows:

	1 January - 31 December 2012	**1 January - 31 December 2011**
(Loss)/ profit before tax	(2.043.013)	510.852
Tax calculated with effective tax rate %20	408.603	(102.170)
Impact of income exempt from taxation	985	21.626
Impact of expenses not deductible	(108.455)	(117.124)
Impact of tax losses for which no deferred tax assets are recognized	(508.498)	(98.864)
Current period tax expense	**(207.365)**	**(296.532)**

NOTE 22 - EARNINGS / (LOSS) PER SHARE

	1 January - 31 December 2012	**1 January - 31 December 2011**
Net (loss)/ profit for the period	(2.250.378)	214.320
Weighted average number of outstanding shares	4.860.000	4.860.000
(Loss)/ profit per share of par value at 1 TL	**(0,4630)**	**0,0441**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	31 December 2012	31 December 2011
Due from shareholders:		
Ekom Eczacıbaşı Dış Ticaret A.Ş. ("Ekom")	1.325.153	1.199.658
Other	46.912	-
	1.372.065	**1.199.658**
Due from related parties:		
Eczacıbaşı Gayrimenkul Geliştirme ve Yatırım A.Ş. (“Eczacıbaşı Gayrimenkul”)	1.134.012	117.687
Vitra Bulgaria OOD ("Vitra Bulgaria")	54.764	289.505
Other	830.137	354.083
	2.018.913	**761.275**
Total receivables from related parties	**3.390.978**	**1.960.933**
Less: Deferred credit finance income (-)	(10.411)	(1.291)
Due from related parties, net	**3.380.567**	**1.959.642**

	31 December 2012	31 December 2011
Due to shareholders:		
Eczacıbaşı Holding A.Ş.	920.461	807.293
Eczacıbaşı Bilişim San. Ve Tic. A.Ş. ("Eczacıbaşı Bilişim")	505.567	1.044.878
Other	16.283	6.912
	1.442.311	**1.859.083**
Due to related parties:		
Eczacıbaşı Yapı Gereçleri San. Ve Tic. A.Ş. (“EYAP”)	81.334.107	56.338.793
Vitra Karo	34.016.358	29.174.001
Other	67.191	117.940
	115.417.656	**85.630.734**
Total payables to related parties	**116.859.967**	**87.489.817**
Less: Credit finance expense from purchases on account	(836.858)	(1.925.286)
Due to related parties. net	**116.023.109**	**85.564.531**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Sales to related parties:

1 January - 31 December 2012	Sales of goods	Commission income	Service income	Other	Total
EYAP	66.703	16.639.241	28.202.296	223.805	45.132.045
Vitra Karo	52.137	8.065.215	16.170.898	104.046	24.392.296
Eczacıbaşı Gayrimenkul	1.490.800	1.200	-	-	1.492.000
Ekom	805.998	-	213.027	6.065	1.025.090
Other	166.957	-	1.832.818	155.300	2.155.075
Total	**2.582.595**	**24.705.656**	**46.419.039**	**489.216**	**74.196.506**

1 January - 31 December 2011	Sales of goods	Commission income	Service income	Total
EYAP	95.382	18.169.671	20.082.180	38.347.233
Vitra Karo	27.367	8.400.736	13.475.524	21.903.627
Eczacıbaşı Koramic	646	807.445	572.727	1.380.818
Ekom	750.242	-	191.388	941.630
Other	356.743	116.466	2.018.919	2.492.128
Total	**1.230.380**	**27.494.318**	**36.340.738**	**65.065.436**

Purchase of products. services and fixed assets from related parties:

1 January - 31 December 2012	Inventory(*)	Service	Fixed asset	Other	Total
EYAP	291.723.037	152.123	678	726.105	292.601.943
Vitra Karo	154.588.911	70.004	3.848	367.672	155.030.435
Eczacıbaşı Holding	-	5.127.849	800	-	5.128.649
Eczacıbaşı Bilişim	-	788.854	476.060	2.241.705	3.506.619
Other	18.273	853.815	1.652	220.630	1.094.370
Total	**446.330.221**	**6.992.645**	**483.038**	**3.556.112**	**457.362.016**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

1 January - 31 December 2011	Inventory(*)	Service	Fixed asset	Other	Total
EYAP	255.642.160	277.384	5.290	643.889	256.568.723
Vitra Karo	133.149.400	39.642	-	289.537	133.478.579
Eczacıbaşı Koramic Yapı Kimyasalları A.Ş	10.328.105	-	-	450	10.328.555
Eczacıbaşı Holding	-	3.998.183	86.809	-	4.084.992
Eczacıbaşı Bilişim	-	689.691	1.414.890	2.176.511	4.281.092
Other	1.502.714	1.915.493	4.241	175.827	3.598.275
Total	**400.622.379**	**6.920.393**	**1.511.230**	**3.286.214**	**412.340.216**

(*) The Company purchases ceramic sanitary wares, bathtubs, kitchen furniture, fittings, accessories and complementary materials from Eczacıbaşı Yapı Gereçleri; ground and wall tie products from Vitra Karo; and kitchen and bathroom furniture, and tableware from the other related entities.

Benefits provided to board members and top management personnel:

Top management personnel include Board Members, General Manager, Assistant General Managers and Managers. Short term benefits provided to key management include salary and bonuses, SSI employer premiums, unemployment premiums and annual paid leaves. Long term benefits provided to key management include employment termination benefits.

Benefits provided to board members and top management personnel:	1 January - 31 December 2012	1 January - 31 December 2011
Short-term benefits	3.533.703	4.424.727
Long-term benefits	182.695	120.775
	3.716.398	**4.545.502**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 24 - FINANCIAL RISK MANAGEMENT

Liquidity risk

The undiscounted contractual cash flows of the financial liabilities of the Group are as follows:

31 December 2012	**Carrying amount**	**Contractual cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Trade payables						
- *Related parties*	116.023.109	116.859.967	116.859.967	-	-	-
- *Other*	30.250.196	30.561.811	30.561.811	-	-	-

31 December 2011	**Carrying amount**	**Contractual cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Trade payables						
- *Related parties*	85.564.531	87.489.817	87.489.817	-	-	-
- *Other*	34.143.852	34.170.804	34.170.804	-	-	-

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

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 peers 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.

	2012	**2011**
Total payables	165.439.334	137.830.792
Less: Cash and cash equivalents (Note 4)	(5.892.061)	(1.895.548)
Net debt	159.547.273	135.935.244
Total equity	28.974.014	15.588.580
Total capital	188.521.287	151.523.824
Debt/Capital ratio	**85%**	**90%**

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 bid 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 2012, 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 1.689.188 (31 December 2011: TL 866.250).

		ISE 2. Session bid value	
	Ratio(%)	**31 December 2012**	**31 December 2011**
Trade name			
Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş.	5.48	5.46	2.80

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

The foreign currency positions in assets and liabilities of the Company as of 31 December 2012 and 2011 are as follows:

	31 December 2012	31 December 2011
Assets	8.528.463	4.925.800
Liabilities	(1.014.104)	(2.493.557)
Net foreign currency position	**7.514.359**	**2.432.243**

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities are shown below:

31 December 2012	TL equivalent	USD	EUR	GBP
Trade receivables	8.523.383	50.560	3.569.075	13.885
Cash and cash equivalents	61.386	31.932	1.898	-
TOTAL ASSETS	**8.584.769**	**82.492**	**3.570.973**	**13.885**
Trade payables	1.014.104	66.433	380.865	-
TOTAL LIABILITIES	**1.014.104**	**66.433**	**380.865**	**-**
Net foreign currency position	**7.570.665**	**16.059**	**3.190.108**	**13.885**

	TL equivalent	USD	EUR
1 January - 31 December 2012			
Export	805.998	1.957	303.690
Import	10.647.950	-	4.628.360
1 January - 31 December 2011			
Export	750.241	8.033	315.813
Import	4.313.471	150	1.764.951

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2011	TL equivalent	USD	EUR	GBP
Trade receivables	4.862.025	2.213	1.977.689	8.491
Cash and cash equivalents	63.775	14.102	7.009	6.859
TOTAL ASSETS	**4.925.800**	**16.315**	**1.984.698**	**15.350**
Trade payables	2.493.557	301.564	782.638	3.881
TOTAL LIABILITIES	**2.493.557**	**301.564**	**782.638**	**3.881**
Net foreign currency position	**2.432.243**	**(285.249)**	**1.202.060**	**11.469**

The Company is mainly exposed to foreign currency risk in Euros, US Dollars and Great Britain Pounds, The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The positive amount indicates increase in profit or equity.

	Profit / Loss	
31 December 2012	**Appreciation of Foreign currency**	**Depreciation of foreign currency**
If USD appreciates against TL by 10%		
USD net assets/(liabilities)	(1.606)	1.606
Part of hedged from USD risk (-)	-	-
USD net effect	(1.606)	1.606
If EUR appreciates against TL by 10%		
EUR net assets/(liabilities)	319.011	(319.011)
Part of hedged from EUR risk (-)	-	-
EUR net effect	319.011	(319.011)
If GBP appreciates against TL by 10%		
GBP net assets/(liabilities)	1.389	(1.389)
Part of hedged from GBP risk (-)	-	-
GBP net effect	1.389	(1.389)

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

	Profit / Loss	
31 December 2011	**Appreciation of Foreign currency**	**Depreciation of foreign currency**
If USD appreciates against TL by 10%		
USD net assets/(liabilities)	(28.525)	28.525
Part of hedged from USD risk (-)	-	-
USD net effect	(28.525)	28.525
If EUR appreciates against TL by 10%		
EUR net assets/(liabilities)	120.206	(120.206)
Part of hedged from EUR risk (-)	-	-
EUR net effect	120.206	(120.206)
If GBP appreciates against TL by 10%		
GBP net assets/(liabilities)	1.147	(1.147)
Part of hedged from GBP risk (-)	-	-
GBP net effect	1.147	(1.147)

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