İNTEMA İNŞAAT VE TESİSAT MALZEMELERİ YATIRIM VE PAZARLAMA ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS AT 31 DECEMBER 2013 TOGETHER WITH AUDITOR'S REPORT (ORIGINALLY ISSUED IN TURKISH)

Deloitte.

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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

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

1. We have audited the accompanying statement of financial position of İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş.'nin (the "Company") as at 31 December 2013, the statement of profit or loss, the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Company Management's Responsibility for the Financial Statements

2. The Company Management is responsible for the preparation and fair presentation of these financial statements in accordance with Turkish Accounting Standards ("TAS") published by Public Oversight Accounting and Auditing Standards Authority ("POA"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 standards on auditing issued by Capital Markets Board of Turkey. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 the Company Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

5. In our opinion, the financial statements present fairly, in all material respects, the financial position of İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama Anonim Şirketi as at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with TAS (Note 2).

Reports on Other Legal and Regulatory Requirements

6. In accordance with Article 402 of Turkish Commercial Code No 6102 ("TCC" or the "Code"), the Board of Directors provided us all the required information and documentation in terms of audit and nothing has come to our attention that may cause us to believe that the Company's set of accounts prepared for the period 1 January - 31 December 2013 does not comply with the Code and the provisions of the Company's Articles of Association in relation to financial reporting.

7. In accordance with Article 378 of Turkish Commercial Code No 6102, in publicly traded companies, the board of directors is obliged to establish a committee consisting of specialized experts, to run and to develop the necessary system for the purposes of early identification of any risks that may compromise the existence, development and continuation of a company; applying the necessary measures and remedies in this regard and managing such risks. According to paragraph 4 of Article 398 of the Code, the auditor is required to prepare a separate report explaining whether the board of directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the board of directors along with the auditor's report. Our audit does not include the evaluation of the operational efficiency and adequacy of the operations carried out by the Management in order to manage these risks. As of the date of statement of financial position, POA has not announced the principles of this report, yet. Therefore, no separate report has been drawn up regarding this matter. On the other hand, the Company established the mentioned committee on 29 April 2013 and the committee is comprised of two members. Since the date of its establishment, the committee has held four meetings for the purposes of early identification of any risks that may compromise the existence and development of the Company, applying the necessary measures and remedies in this regard and managing such risks, and has submitted the relevant reports to the Board of Directors.

Other Matters

8. The financial statements for the period ended 31 December 2012 of the Company was audited by another independent audit firm. Previous independent auditors expressed an unqualified opinion regarding financial statements dated 31 December 2012 on independent auditors' report dated 15 March 2013.

İstanbul, 25 February 2014

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

H. Ali Bekçe, SMMM
Partner

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

(Amounts expressed in Turkish Lira ("TRL") unless otherwise indicated.)

ASSETS

Current assets	**Notes**	*Audited* **31 December 2013**	*Audited and Restated* **31 December 2012**
Cash and cash equivalents	*4*	2.677.283	5.892.061
Trade receivables	*6*	142.229.982	128.698.773
-Due from related parties	*28*	*4.524.804*	*3.380.567*
-Due from third parties	*6*	*137.705.178*	*125.318.206*
Other receivables	*7*	120.093	98.804
Inventories	*9*	11.427.971	8.924.269
Prepaid expenses	*13*	2.249.398	1.788.887
Current income tax assets		2.232	2.616
Other current assets	*14*	1.796.863	1.110.676
Total current assets		**160.503.822**	**146.516.086**
Non-current assets			
Trade receivables	*6*	183.264	314.030
Other receivables	*7*	27.510	28.415
Financial investments	*5*	26.614.333	33.791.833
Property, plant and equipment	*10*	8.334.479	8.500.334
Intangible assets	*10*	6.031.939	4.934.184
Prepaid expenses	*13*	523.414	328.466
Total non-current assets		**41.714.939**	**47.897.262**
Total assets		**202.218.761**	**194.413.348**

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

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

(Amounts expressed in Turkish Lira ("TRL") unless otherwise indicated.)

LIABILITIES			*Audited and*
		Audited	*Restated*
Current liabilities	**Notes**	**31 December 2013**	**31 December 2012**
Short term borrowings	*8*	479.436	-
Trade payables	*6*	161.823.812	146.313.340
-Trade payables due to related parties	*28*	*126.427.794*	*116.023.109*
-Trade payables due to third parties	*6*	*35.396.018*	*30.290.231*
Short term provisions		1.526.259	744.802
-Short term provisions for employee benefits	*12*	*730.921*	*650.133*
-Other short term provisions		*795.338*	*94.669*
Employee benefit obligations	*17*	1.594.986	1.006.120
Deferred income	*15*	11.433.768	11.869.255
Other current liabilities	*16*	1.438.493	1.023.838
Total current liabilities		**178.296.754**	**160.957.355**
Non-current liabilities			
Long term provisions for employee benefits	*12*	2.438.736	2.433.544
Deferred tax liabilities	*27*	42.557	810.195
Deferred income	*15*	1.160.759	1.238.240
Total non-current liabilities		**3.642.052**	**4.481.979**
Total liabilities		**181.938.806**	**165.439.334**
EQUITY			
Share capital	*18*	4.860.000	4.860.000
Capital inflation adjustment difference	*18*	47.440.914	47.440.914
Restricted reserves	*18*	115.994	115.994
Items to be reclassified subsequently to profit or loss	*18*	18.393.862	25.212.487
Gain on revaluation or/and reclassification		*18.393.862*	*25.212.487*
Accumulated losses	*18*	(48.554.664)	(46.528.730)
Net loss for the period		(1.976.151)	(2.126.651)
Total equity		**20.279.955**	**28.974.014**
Total liabilities and equity		**202.218.761**	**194.413.348**

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

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 1 JANUARY - 31 DECEMBER 2013

(Amounts expressed in Turkish Lira ("TRL") unless otherwise indicated.)

	Notes	*Audited* 31 December 2013	*Audited and Restated* 31 December 2012
Revenue	*19*	603.042.217	535.571.936
Cost of sales (-)	*19*	(540.144.583)	(478.313.942)
Gross profit		**62.897.634**	**57.257.994**
Marketing expenses (-)	*20*	(49.903.111)	(43.552.920)
General administrative expenses (-)	*20*	(15.558.212)	(14.341.931)
Income from other operating activities	*22*	10.790.564	12.377.931
Expense from other operating activities (-)	*23*	(10.367.332)	(13.536.128)
Operating profit		**(2.140.457)**	**(1.795.054)**
Income from investing activities	*24*	15.606	25.057
Operating income before finance expense		**(2.124.851)**	**(1.769.997)**
Financial expenses (-)	*25*	(285.242)	(149.289)
Profit/ (loss) before tax		**(2.410.093)**	**(1.919.286)**
Tax income / (expense) from continuing operations			
Deferred tax income / (expense)	*27*	433.942	(207.365)
Profit/ (loss) for the period		**(1.976.151)**	**(2.126.651)**
Earnings per share	*26*	(0,4066)	(0,4376)
Other comprehensive income / (expenses)			
Items that may be reclassified subsequently to profit or loss			
Gains / losses on available for sale financial assets due to revaluation		(7.177.500)	16.458.750
Taxes relating to components of other comprehensive income		358.875	(822.938)
Items that will not be reclassified			
Gains / losses on remeasurement of defined benefit plans		125.896	(123.727)
Income tax related to re-measurement of defined benefit plans gain/(losses)		(25.179)	-
Other comprehensive income/(loss)		**(6.717.908)**	**15.512.085**
Total comprehensive income/(loss)		**(8.694.059)**	**13.385.434**

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in Turkish Lira ("TRL") unless otherwise indicated.)

			Other comprehensive income or expenses that may be reclassified subsequently to profit or loss		Accumulated losses		
	Share capital	Inflation adjustment to share capital	Accumulated gain/loss on revoluation and/or reclassified	Restricted reserves	Retained earnings	Net loss for the period	Total equity
1 Jauary 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 income / (loss)	-	-	15.635.812	-	(123.727)	(2.126.651)	13.385.434
31 December 2012	**4.860.000**	**47.440.914**	**25.212.487**	**115.994**	**(46.528.730)**	**(2.126.651)**	**28.974.014**
Transfers	-	-	-	-	(2.126.651)	2.126.651	-
Total comprehensive income / (loss)	-	-	(6.818.625)	-	100.717	(1.976.151)	(8.694.059)
31 December 2013	**4.860.000**	**47.440.914**	**18.393.862**	**115.994**	**(48.554.664)**	**(1.976.151)**	**20.279.955**

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

(Amounts expressed in Turkish Lira ("TRL") unless otherwise indicated.)

	Notes	*Audited* 1 January - 31 December 2013	*Audited and Restated* 1 January - 31 December 2012
Net loss for the year		(1.976.151)	(2.126.651)
Adjustments to reconcile of net loss to cash provided from operations:			
Depreciation and amortisation	*10*	4.836.158	4.126.576
Provision for employment termination benefits	*12*	718.936	1.052.476
Provision for unused vacation	*12*	245.701	396.818
Interest income	*24*	(14.882)	(17.442)
Provision for diminution in value of inventories, net	*9*	(168.308)	57.041
Provision for doubtful receivable	*6*	1.329.936	722.795
Tax income/ (expense)	*27*	(433.942)	207.365
Dividend income		(5.272)	(4.918)
Unearned finance charges related to sales adjustment		522.767	(325.913)
Unearned finance charges related to purchase adjustment		(1.117.795)	(803.765)
Gain on sale of property plant and equipment or intangible (net)		(10.334)	(20.139)
Cash flows provided before changes in assets and liabilities		**3.926.814**	**3.264.243**
Increase in trade receivables		(14.463.793)	(19.083.772)
Increase in inventories		(2.335.394)	640.990
Increase/decrease in other assets and receivables		(1.361.646)	(922.332)
Increase/decrease in trade payables		6.223.582	(3.089.892)
Increase/decrease in other payables		1.191.222	(209.336)
Increase/decrease in receivables and payables from related parties		7.939.981	28.641.349
Employment termination benefits paid	*12*	(901.094)	(999.070)
Unused vacation payment	*12*	148.333	(131.193)
Collections of doubtful receivables	*6*	354.884	280.010
Cash flows from operating activities		**722.889**	**8.390.997**
Cash flows from investing activities			
Purchases of property. plant and equipment intangible assets		(4.459.592)	(4.490.460)
Cash generated from sales of plant. property and equipment		22.335	73.616
Dividends received		5.272	4.918
Interest income		14.882	17.442
Net cash used in investing activities		**(4.417.103)**	**(4.394.484)**
Cash flows from financing activities			
Cash inflows/(outflows) from bank borrowing		479.436	-
Net cash provided by financing activities		**479.436**	-
Net change in cash and cash equivalents		**(3.214.778)**	**3.996.513**
Cash and cash equivalents at the beginning of the year		5.892.061	1.895.548
Cash and cash equivalents at the end of the year		**2.677.283**	**5.892.061**

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

(Amounts are expressed in Turkish Lira (TRL) 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

Avarage number of personnel as of 31 December 2013 and 31 December 2012 is as follows:

	31 December 2013	31 December 2012
Wholesale	119	113
Retail	152	160
Other	93	80
	364	353

Approval of financial statements

The financial statements have been approved by the Board of Directors and authorized for issue on 25 February 2014. The General Assembly has the authority to amend financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED FINANCIAL INFORMATION

2.1 Basis of Presentation

Statement of compliance

The Company and its subsidiaries operating in Turkey maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying financial statements are prepared in accordance with the CMB's Communiqué Serial II, No: 14.1, "Basis of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA").

Financial statements and notes are prepared in accordance with the new format of CMB released on 7 June 2013.

The financial statements have been prepared on the historical cost basis except for the financial assets and liabilities which are expressed with their fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

2.1 Basis of Presentation (Continued)

Inflation Adjustments to the Financial Statements

In accordance with the CMB's resolution issued on 17 March 2005 and numbered 11/367, 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 (Note 31).

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.

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 quivalents 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).

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

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

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 28).

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 22 and Note 23).

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 9).

Property and equipment

Property, plant and equipment acquired prior to 1 January 2005 are carried at acquisition costs adjusted for inflation at 31 December 2004; 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 10).

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

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 10).

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

2.2 Summary of significant accounting policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

Financial Instruments

Financial Assets

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

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'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Quoted equity investments and quoted certain debt securities held by the entity that are traded in an active market are classified as being AFS financial assets and are stated at fair value at the end of each reporting period. The Entity also has investments in unquoted equity investments that are not traded in an active market but that are also classified as AFS financial assets and stated at *cost at the end of each reporting period since their value can't be reliably measured.* Fair *value at the end of each reporting period because the management considers that fair value can be reliably measur*ed). Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When 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.

Dividends on AFS equity instruments are recognized in profit or loss when entity's right to receive the dividends is established.

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

2.2 Summary of significant accounting policies (Continued)

Financial Instruments (Continued)

Available-for-sale financial assets (Continued)

AFS equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period

Loans and receivables

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.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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

2.2 Summary of significant accounting policies (Continued)

Financial Instruments (Continued)

Cash and cash equivalents

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. The group classifies cash and cash equivalents as "loans and receivables".

Derecognition of financial assets

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 party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. The accounting policies applied for the debt and equity instruments are stated below.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

2.2 Summary of significant accounting policies (Continued)

Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liability or asset is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. 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. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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.

Current and deferred tax for the period

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 end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 19). 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 22).

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 comprehensive income/expense (Note 12 and 18).

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.

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.

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

2.2 Summary of significant accounting policies (Continued)

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 26).

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).

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).

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

2.3 Critical accounting estimates and assumptions

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies mentioned in note 2.2; the Group's Management has used estimates. The accounting estimates that have material impact over the financial information of the Company are as follows:

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 581,410 (31 December 2012: TL 749,718) as of 31 December 2013. Provision expense is included in cost of goods sold for the year (Note 9).

Deferred tax

The 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 27).

Utilization of carry forward tax losses

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

As of 31 December 2013, the Company has carry forward tax losses amounting to TL 10.723.780. The Company management foresees that the Company has strength probability of ability to utilize carryforward tax losses amounting to TL 5.422.737 and consequently, the Company has accounted for deferred tax asset amounting to TL 1.084.547 as of 31 December 2013.

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

2.4 New and Revised Turkish Accounting Standards

a) Amendments to TASs affecting presentation and disclosures only

The following amendments to TASs and TFRSs have been applied in the current year and have affected the amounts reported in these consolidated financial statements.

Amendments to TAS 1 Presentation of Other Comprehensive Income

Amendments to TAS 1 Presentation of Items of Other Comprehensive Income The amendments to TAS 1 Presentation of Items of Other Comprehensive Income is effective for the annual periods beginning on or after 1 July 2012.The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to TAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to TAS 1 retain the option to present profit or loss and other comprehensive incomein either a single statement or in two separate but consecutive statements.

However, the amendments to TAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be llocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to TAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to TAS 1 Presentation of Financial Statements
(as part of the Annual Improvements to TFRSs 2009-2011 Cycle issued in May 2012)

The amendments to TAS 1 as part of the Annual Improvements to TFRSs 2009-2011 Cycle are effective for the annual periods beginning on or after 1 January 2013.

TAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to TAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

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

2.4 New and Revised Turkish Accounting Standards (Continued)

a) Amendments to TASs affecting presentation and disclosures only (Continued)

TAS 19 Employee Benefits

The amendments to TAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of TAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of TAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. The amendments to IAS 19 require retrospective application.

b) New and Revised TFRSs effective since the year 2013 with no material effect on financial statements with amendments and interpretations on current TFRSs only

Amendments to TFRS 7 Offsetting Financial Assets and Financial Liabilities and the *related disclosures*

The amendments to TFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

Annual Improvements to TFRSs 2009 - 2011 Cycle issued in May 2012

- Amendments to TAS 16 Property, Plant and Equipment;
- Amendments to TAS 32 Financial Instruments: Presentation
- Amendments to TAS 34 Interim Financial Reporting

Amendments to TAS 16

The amendments to TAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in TAS 16 and as inventory otherwise. Amendments to TAS 16 have no significant effect on the Company's financial statements.

Amendments to TAS 32

The amendments to TAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with TAS 12 Income Taxes. Amendments to TAS 32 have no significant effect on the Company's financial statements.

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

2.4 New and Revised Turkish Accounting Standards (Continued)

b) New and Revised TFRSs effective since the year 2013 with no material effect on financial statements with amendments and interpretations on current TFRSs only (Continued)

Amendments to TAS 34

The amendments to TAS 34 clarify that disclosure of the total assets and total liabilities for a particular reportable segment is only required if a measure of total assets or total liabilities (or both) is regularly provided to the chief operating decision maker and there has been a material change in those measures since the last annual financial statements. The amendments to TAS 34 did not have an effect on the Company's financial statements.

IFRIC 20 Interpretation ***Stripping Costs in the Production Phase of a Surface***

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine (production stripping costs). Under the Interpretation, the costs from this waste removal activity (stripping) which provide improved access to ore is recognized as a noncurrent asset (stripping activity asset) when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with TAS 2 *Inventories*. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

IFRIC 20 is effective for annual periods beginning on or after 1 January 2013. Specific transitional provisions are provided to entities that apply IFRIC 20 for the first time. However, IFRIC 20 must be applied to production stripping costs incurred on or after the beginning of the earliest period presented. The company management anticipates that IFRIC 20 will have no effect to the the Company's financial statements as the Company does not engage in such activities.

c) New and Revised TFRSs in issue but not yet effective

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

TFRS 9	TFRS 9 *Financial Instruments*
TFRS 9 and TFRS 7 *TFRS 9*	Amendments to TFRS 9 and TFRS 7 *Mandatory Effective Date of TFRS 9 and Transition Disclosures*
Amendments to TAS 32	Amendments to TAS 32 *Offsetting Financial Assets and Financial Liabilities*[1]
Amendments to TFRS 10, 11, TAS 37	Amendments to TFRS 10, 11, TAS 27 *Investment Entities1*
Amendments to TAS 36	Amendments to TAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*[1]
Amendments to TAS 39	Amendments to TAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*[1]
TFRS Interpretation 21 *Levies*[1]	TFRS Interpretation 21 *Levies*[1]

[1] Effective for annual periods beginning on or after 1 January 2014.

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

2.4 New and Revised Turkish Accounting Standards (Continued)

c) New and Revised TFRSs in issue but not yet effective

TFRS 9 Financial Instruments

TFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. TFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Amendments to TFRS 9 and TFRS 7 Mandatory Effective Date of TFRS 9 and Transition Disclosures

On November 2013, it is tentatively decided that the mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2017. This amendment has not been published by POA, yet.

Amendments to TAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to TAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

Amendments to TFRS 10, 11, TAS 27 Investment Entities

This amendment with the additional provisions of TFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

Amendments to TAS 36 Recoverable Amount Disclosures for Non-Financial Assets

As a consequence of TFRS 13 Fair Value Measurements, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of TAS 36 has been changed.

Amendments to TAS 39 Novation of Derivatives and Continuation of Hedge Accounting

This amendment to TAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

TFRS Interpretation 21 Levies

TFRS Interpretation 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

The Group management evaluates the effects of these standards on the Group's results and financial position.

2.5 Operating seasonality

Company operates in the summer months, which corresponds to the volume of business is higher in the second and third quarters.

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

NOTE 3 - SEGMENT REPORTING

As of 31 December 2013, 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.

As of the period ended 31 December 2013 and 2012 amortization and depreciation and capital expenditures are as follows.

1 January - 31 December 2013	Wholesale	Retail	Other	Total
Capital expenditures	4.633.797	1.146.262	-	5.780.059
Amortization and depreciation	(3.286.777)	(1.499.722)	(49.659)	(4.836.158)

1 January - 31 December 2012	Wholesale	Retail	Other	Total
Capital expenditures	3.110.449	1.769.466	6.850	4.886.765
Amortization and depreciation	(2.746.729)	(1.315.255)	(64.592)	(4.126.576)

	1 January- 31 December 2013	1 January- 31 December 2012
Net sales, Wholesale	485.304.157	449.057.110
Net sales, Retail	121.544.921	91.307.440
Net sales, Other	5.175.889	5.114.015
Net sales. total	**612.024.967**	**545.478.565**
Cost of sales (-)	**(549.833.849)**	**(490.733.371)**
Gross Profit	**62.191.118**	**54.745.194**
Marketing, selling and distribution expenses (-)	(50.192.545)	(43.447.764)
General administrative expenses (-)	(13.606.928)	(13.336.125)
Operating Profit	**(1.608.355)**	**(2.038.695)**
Amortization and depreciation	5.807.407	4.870.091
EBITDA	**4.199.052**	**2.831.396**

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

	1 January- 31 December 2013	1 January- 31 December 2012
EBITDA	4.199.052	2.831.396
Unearned finance charges related to purchase adjustment	1.117.795	(803.765)
Impairment of inventories	168.308	(57.041)
Depreciation and amortization	(4.836.158)	(4.126.576)
Unearned finance charges related to sales adjustment	(522.767)	325.913
Provision for doubtful receivables	(1.329.936)	(722.795)
Provision for employment termination benefits	(718.936)	(1.052.476)
Provision for unused vacation	(245.701)	(396.818)
IFRS classification differences	(395.346)	3.365.305
	(2.563.689)	**(636.857)**
Other operating income	10.790.564	12.377.931
Other operating expense (-)	(10.367.332)	(13.536.128)
OPERATING PROFIT	**(2.140.457)**	**(1.795.054)**
Income from investing activities	15.606	25.057
OPERATING LOSS BEFORE FINANCIAL INCOME	**(2.124.851)**	**(1.769.997)**
Financial expense	(285.242)	(149.289)
LOSS BEFORE TAX	**(2.410.093)**	**(1.919.286)**

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2013	31 December 2012
Cash	43.361	55.790
Demand deposits	2.633.922	5.836.271
	2.677.283	**5.892.061**

As of 31 December 2013, the Company's "Direct Collection System" caused deposits at banks to be blocked for two days at most, is amounting to TL 2,517,798 (31 December 2012: TL 5,098,785).

NOTE 5 - FINANCIAL INVESTMENTS

	31 December 2013		31 December 2012	
Long Term Financial Investment	**Share**	**Amount**	**Share**	**Amount**
Available-for sale financial assets	5,48	26.606.250	5,48	33.783.750
Financial assets carried at cost as they are not traded in an active market	0,25	8.083	0,25	8.083
		26.614.333		**33.791.833**

	31 December 2013	
(a) Available-for sale financial assets	**Fair value**	**Historical cost**
Common stocks [1]	26.606.250	7.244.290

(b) There is an active market for financial assets carried at cost

Not publicly traded	**31 December 2013**	**31 December 2012**
Eczacıbaşı Sigorta Acenteliği A.Ş. [2]	8.083	8.083

(1) Stocks are traded on exchanges Eczacıbaşı Building Materials Industry and Trade Co., Ltd. belongs to.

(2) As of 31 December 2013, 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 (TRL) unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

	31 December 2013	31 December 2012
Trade receivables	86.418.570	79.437.670
Notes receivables	59.393.797	52.502.753
	145.812.367	**131.940.423**
Less: Provision for doubtful receivables	(6.396.250)	(5.421.198)
Less: Credit finance income from sales on account	(1.710.939)	(1.201.019)
	137.705.178	**125.318.206**
Due from related parties (Note 28)	4.524.804	3.380.567
Trade receivables	**142.229.982**	**128.698.773**

Long-term trade receivables

	31 December 2013	31 December 2012
Trade receivables	205.000	336.988
Less: Credit finance income from sales on account	(21.736)	(22.958)
	183.264	**314.030**

The company has TL 183.264 long term trade receivables as of 31 December 2013 (31 December 2012: TL 314.030). This amount consist (31 December 2012: 325.000 TL) of long term notes receivable which have maturity more than 1 year.

The movement of the Company's allowance for doubtful receivables for the period ended on 31 December 2013 and 2012 is as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Balance as of 1 January	(5.421.198)	(4.978.413)
Additions (Note 20)	(1.329.936)	(722.795)
Collections	354.884	280.010
Balance as of 31 December	**(6.396.250)**	**(5.421.198)**

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

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

The Company's receivables guaranteed by "Direct Collection System" amount to TL 87.998.843 as of 31 December 2013 (31 December 2012: TL 74.583.190); current limits under warranty is TL 47.027.371 (31 December 2012: TL 35.407.000).

The maturities of trade payables are generally less than 3 months. Trade payables are discounted by average interest rates of (31 December 2012: 3 month) and yearly % 8,24 (31 December 2012 yearly % 6,87).

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 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
1-30 days overdue	3.702.579	3.991.792
1-3 months overdue	2.006.873	3.424.718
3-12 months overdue	3.015.209	1.688.427
1-5 years overdue	2.829.944	253.097
	11.554.605	**9.358.034**

Company received mortgages and details are as of 31 December 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
Mortgages	30.540.280	30.128.780
Guarantees received	30.477.403	32.523.002
	61.017.683	**62.651.782**

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

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

	Receivables				
	Trade receivables		Other receivables		
31 December 2013	Related party	Other	Related party	Other	Bank deposits
Maximum credit risk exposure as balance sheet date (*)	4.524.804	137.888.442	-	147.603	2.633.922
- The part of maximum risk under guarantee with collatarel	-	61.017.683	-	-	-
A.Net book value of neither past due nor impaired financial assets	4.524.804	126.333.837	-	147.603	2.633.922
B. Net book value of past due but not impaired assets	-	11.554.605	-	-	-
-Guaranteed amount by collateral	-	3.543.698	-	-	-
C.Impaired asset net book value (**)	-		-	-	-
-Past due (gross amount)	-	6.396.250	-	-	-
- Impairment (-)	-	(6.396.250)	-	-	-
- Net value collateralized or guaranteed part of net value	-		-	-	-
D.Off-balance sheet items with credit risk	-	-	-	-	-

(*) In determining the amount received as guarantees, credit enhancement has not been taken into account.
(**) Guarantees consists of received from customers guarantee notes, guarantee checks and mortgages.

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

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

	Receivables				
	Trade receivables		Other receivables		
31 December 2012	Related party	Other	Related party	Other	Bank deposits
Maximum credit risk exposure as balance sheet date (*)	3.380.567	125.632.236	-	127.219	5.836.271
- The part of maximum risk under guarantee with collatarel	-	62.651.782	-	-	-
A.Net book value of neither past due nor impaired financial assets	3.380.567	116.274.202	-	127.219	5.836.271
B. Net book value of past due but not impaired assets	-	9.358.034	-	-	-
-Guaranteed amount by collateral	-	3.917.980	-	-	-
C.Impaired asset net book value (**)	-		-	-	-
-Past due (gross amount)	-	5.421.198	-	-	-
- Impairment (-)	-	(5.421.198)	-	-	-
D.Off-balance sheet items with credit risk	-	-	-	-	-

(*) In determining the amount received as guarantees, credit enhancement has not been taken into account.
(**) Guarantees consists of received from customers guarantee notes, guarantee checks and mortgages.

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

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

Short term trade payables:

	31 December 2013	31 December 2012
Trade payables	35.217.616	30.561.811
Accrued expenses	800.158	40.035
	36.017.774	**30.601.846**
Less: Unaccrued finance expense from purchases on account	(621.756)	(311.615)
	35.396.018	**30.290.231**
Related party payables (Note 28)	126.427.794	116.023.109
Trade payables	**161.823.812**	**146.313.340**

NOTE 7 - OTHER RECEIVABLES

Short-term other receivables

	31 December 2013	31 December 2012
Personnel advances	52.898	31.614
Taxes and funds receivable	27.568	22.594
Deposits and guarantees given	149	149
Advances received	-	10.397
Other miscellaneous receivables	39.478	34.050
	120.093	**98.804**

Long-term other receivables

	31 December 2013	31 December 2012
Deposits and guarantees given	27.510	28.415
	27.510	**28.415**

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

NOTE 8 - FINANCIAL LIABILITIES

	31 December 2013		31 December 2012	
	Weighted Average interest Rate p.a %	TL	*Weighted Average interest Rate p.a %*	TL
Short-Term Loans				
TL Loans	%0	479.436	-	-
		479.436		-

The Company's financial liabilities consist of spot interest-free bank loans (31 December 2012: None).

NOTE 9 - INVENTORIES

	31 December 2013	31 December 2012
Trade goods	10.117.855	9.200.975
Other inventories	1.891.526	473.012
	12.009.381	**9.673.987**
Provision for impairment of inventory (-)	(581.410)	(749.718)
	11.427.971	**8.924.269**

The movement of provision for impairment of inventory is as of 31 December 2013 and 2012 as follows:

	2013	2012
Balance as of 1 January	(749.718)	(692.677)
Current period expense, net	168.308	(57.041)
Balance as of 31 December	**(581.410)**	**(749.718)**

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 581.410 (31 December 2012: TL 749.718) for inventory.

The cost of inventories recognized as expense and included in “cost of sales” amounted to TL 539.208.793 (2012: TL 477.617.319).

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment

Cost:	1 January 2013	Additions	Disposals	31 December 2013
Machinery and equipment	12.980	-	-	12.980
Furniture and fixtures	15.821.240	1.648.637	-	17.469.877
Leasehold improvements	10.735.730	1.050.106	-	11.785.836
	26.569.950	**2.698.743**	-	**29.268.693**
Accumulated depreciation:				
Machinery and equipment	(7.113)	(1.298)	-	(8.411)
Furniture and fixtures	(11.228.243)	(1.478.228)	-	(12.706.471)
Leasehold improvements	(6.834.260)	(1.385.072)	-	(8.219.332)
	(18.069.616)	**(2.864.598)**	-	**(20.934.214)**
Net book value	**8.500.334**			**8.334.479**

Cost:	1 January 2012	Additions	Disposals	31 December 2012
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 (TRL) unless otherwise stated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

Intangible Assets

Cost:	1 January 2013	Additions	Disposals	31 December 2013
Software	12.461.890	3.081.316	(18.784)	15.524.422
	12.461.890	**3.081.316**	**(18.784)**	**15.524.422**
Accumulated depreciation:				
Software	(7.527.706)	(1.971.560)	6.783	(9.492.483)
	(7.527.706)	**(1.971.560)**	**6.783**	**(9.492.483)**
Net book value	**4.934.184**			**6.031.939**

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 depreciation:				
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**

TL 1.994.800 of depreciation and amortization is reflected in marketing, sales and distribution expenses, TL 2.841.358 is reflected in general administrative expenses. (2012: TL 1.813.976, in marketing, sales and distribution expenses, TL 2.312.600 in general administrative expenses, respectively).

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

NOTE 11 – COMMITMENTS

		31 December 2013	31 December 2012
A. Total amount of CPM given on its own behalf			
	Guarantee	3.310.150	243.771
	Pledge	-	-
	Mortgage	-	-
B. Total amount of CPM given on behalf of its subsidiaries included to the consolidation			
	Guarantee	-	-
	Pledge	-	-
	Mortgage	-	-
C. Total amount of CPM given in order to guarantee third parties' debt for the routing trade operations			
	Guarantee	-	-
	Pledge	-	-
	Mortgage	-	-
D. Total amount of other CPM			
i. Total amount of CPM's given on behalf of the majority shareholder			
	Guarantee	-	-
	Pledge	-	-
	Mortgage	-	-
ii. Total Amount of CPM's given on behalf of third parties which are not in scope of B and C			
	Guarantee	-	-
	Pledge	-	-
	Mortgage	-	-
iii. Total Amount of CPM's given on behalf of third parties which are not in scope of C			
	Guarantee	-	-
	Pledge	-	-
	Mortgage	-	-
Toplam		**3.310.150**	**243.771**

Company has given TL 3.310.150 guarantees, pledges and mortgages as of 31 December 2013 (EUR 1.074.800, TL 154.000) (31 December 2012: 243.771 TL).

There is no collateral or mortgages to guarantee the debt of shareholders, Eczacıbaşı Group companies or third parties.

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

NOTE 11 – COMMITMENTS (Continued)

Operating Lease Liabilities

As of 31 December 2013, the Company has leased 136 motor vehicles through operating lease (31 December 2011: 123 motor vehicles). As of 31 December 2013 and 31 December 2012 the Company's lease liabilities for future periods arising from operating lease agreements is summarized as follows:

Non-cancelable operating lease commitments

	31 December 2013	31 December 2012
To be paid within 1 year	2.003.744	1.384.661
To be paid within 1-2 years	1.747.418	1.174.700
To be paid within 2-5 years	839.981	1.237.981
	4.591.143	**3.797.342**

Company lease payment amount is TL 1.456.433. (31 December 2012: TL 1.220.221).

NOTE 12 - PROVISION FOR EMPLOYEE BENEFITS

Short Term Provision For Unused Vacation:

	31 December 2013	31 December 2012
Short term provision for unused vacation:	730.921	650.133
	730.921	**650.133**

Long Term Provision For Unused Vacation:

	31 December 2013	31 December 2012
Long term provision for unused vacation:	1.133.010	1.270.875
	1.133.010	**1.270.875**

The movement of the unused vacation provision as of 1 January-31 December 2013 and 2012 is as follows:

	2013	2012
1 January	**1.921.008**	**1.655.383**
Charge for the period	245.701	396.818
Payments made during the year	(302.778)	(131.193)
31 December	**1.863.931**	**1.921.008**

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

NOTE 12 - PROVISION FOR EMPLOYEE BENEFITS (Continued)

Provision for employment termination benefits:

Under labor laws effective in Turkey, it is a liability to make legal retirement pay to employees whose employment is terminated in such way to receive retirement pay. In addition, according to Article 60 of Social Security Law numbered 506 which was changed by the laws numbered 2422, dated 6 March 1981 and numbered 4447, dated 25 August 1999, it is also a liability to make legal retirement pay to those who entitled to leave their work by receiving retirement pay. Some transfer provisions related to service conditions prior to retirement are removed from the Law by the changed made on 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TL 3.254 for each period of service at 31 December 2013 (31 December 2012: TL 3.034).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate:

	31 December 2013	31 December 2012
Discount rate (%)	4,11	1,58

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 3.438 effective from 1 January 2014 has been taken into consideration in calculation of provision from employment termination benefits(1 January 2013: TL 3.129).

The movement of the employee termination benefits as of 1 January- 31 December 2013 and 2012 as follows:

	2013	2012
1 January	1.162.669	985.536
Service cost	730.462	1.007.831
Actuarial gain / (loss)	(125.896)	123.727
Interest cost	(11.526)	44.645
Employee termination benefits paid	(449.983)	(999.070)
31 December	**1.305.726**	**1.162.669**

The principal assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate.

•If the discount rate had been 1% lower/(higher), provision for employee termination benefits would increase/(decrease) by TL 48.452. (2012: TL 54.488).

•If the anticipated turnover rate had been 1% higher/(lower) while all other variables were held constant, provision for employee termination benefits would decrease/(increase) by TL 64.362. (2012: TL 71.877).

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

NOTE 13 - PREPAID EXPENSES

Short-Term Prepaid Expenses

	31 December 2013	31 December 2012
Prepaid expense for the following months	1.673.017	1.169.356
Advances given	576.381	619.531
	2.249.398	**1.788.887**

Long-Term Prepaid Expenses

	31 December 2013	31 December 2012
Prepaid expenses for the following years	523.414	328.466
	523.414	**328.466**

NOTE 14 - OTHER CURRENT ASSETS

The details of the other current assets as of 31 December 2013 and 2012 as follows:

	31 December 2013	31 December 2012
Deferred VAT	1.796.863	1.110.676
	1.796.863	**1.110.676**

NOTE 15 – DEFERRED INCOME

Short Term Deferred Revenue

	31 December 2013	31 December 2012
Advances received	10.275.163	10.871.878
Deferred income	1.158.605	997.377
	11.433.768	**11.869.255**

Long Term Deferred Revenue

	31 December 2013	31 December 2012
Deferred income	1.160.759	1.238.240
	1.160.759	**1.238.240**

NOTE 16 - OTHER SHORT TERM LIABILITIES

	31 December 2013	31 December 2012
Taxes and funds	1.438.493	1.023.838
	1.438.493	**1.023.838**

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

NOTE 17 - EMPLOYEE BENEFITS

	31 December 2013	31 December 2012
Social security premiums payable	604.392	480.773
Payables due to personnel	961.312	503.301
Other	29.282	22.046
	1.594.986	**1.006.120**

NOTE 18 - EQUITY

The structure of the share capital as of 31 December 2013 and 2012 is as follows:

	Share %	31 December 2013	Share %	31 December 2012
Eczacıbaşı Yatırım Holding Ort. A.Ş.	46,41	2.255.349	44,69	2.171.978
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 fund	22,98	1.116.887	24,70	1.200.258
	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 2013; Eczacıbaşı Yatırım Holding Ortaklığı A.Ş holds 46,41% of total shares outstanding in 2013.

Company has capital that consists of 4.860.000 shares as of 31 December 2013. (31 December 2012: 4.860.000 shares). Nominal value of shares is TL 1. (31 December 2012: TL 1).

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

NOTE 18 - EQUITY (Continued)

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 2012: None).

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 2013	31 December 2012
Financial assets revaluation fund	18.393.862	25.212.487
	18.393.862	**25.212.487**

Restricted Reserves:

The total amount of legal reserves and retained earnings of the company is TL 1.485.088 ve TL 50.039.752 (31 December 2012: TL 1.485.088, TL 48.013.818).

	31 December 2013	31 December 2012
Legal reserves	115.994	115.994
	115.994	**115.994**

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

NOTE 19 - REVENUE AND COST OF SALES

Sales	1 January - 31 December 2013	1 January - 31 December 2012
Domestic sales	1.176.869.655	1.012.288.271
Export sales	457.784	784.824
Less: returns	(5.790.329)	(3.677.254)
Less: discounts	(568.494.893)	(473.823.905)
Net sales	**603.042.217**	**535.571.936**

Cost of sales (-)	1 January - 31 December 2013	1 January - 31 December 2012
Cost of goods sold	(539.208.793)	(477.617.319)
Cost of services sold	(935.790)	(696.623)
Cost of sales	**(540.144.583)**	**(478.313.942)**

NOTE 20 – MARKETING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Marketing expenses (-)	1 January- 31 December 2013	1 January- 31 December 2012
Personnel	21.584.928	18.301.352
Rent	8.612.103	8.795.789
Advertising and promotion	3.990.643	3.272.648
Transportation	2.365.925	2.660.948
Amortization and depreciation (Note:10)	1.994.800	1.813.976
Storage	1.803.992	1.560.316
Outsorcing	1.357.323	1.258.869
Energy	1.318.273	1.267.850
Travel	1.137.309	1.050.555
Office	704.245	677.874
Communication	404.479	423.661
Consultancy	266.907	423.344
Other	4.362.184	2.045.738
	49.903.111	**43.552.920**

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

NOTE 20 – MARKETING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES (Continued)

General administrative expenses (-)	**1 January- 31 December 2013**	**1 January- 31 December 2012**
Consultancy	3.384.375	2.897.367
Personnel	4.128.782	3.277.723
Amortization and depreciation (Note:10)	2.841.358	2.312.600
Provision for doubtful receivables (Note: 6)	1.329.936	722.795
Rent	818.048	398.203
Provision for employee termination benefits (Note: 12)	718.936	1.052.476
Maintenance	571.675	1.184.227
Communication	546.166	638.024
Outsorcing	335.648	831.063
Unused vacation provision (Note: 12)	245.701	396.818
Taxes, duties and fees	190.713	130.917
Advertising and promotion	280.056	241.691
Office	134.099	180.796
Other	32.719	77.231
	15.558.212	**14.341.931**

NOTE 21 - EXPENSES BY NATURE

	1 January- 31 December 2013	**1 January- 31 December 2012**
Personnel	25.713.710	21.579.075
Rent	9.430.151	9.193.992
Depreciation and amortization (Note: 10)	4.836.158	4.126.576
Consultancy	3.651.282	3.320.711
Advertising and promotion	4.270.699	3.514.339
Transportation	2.365.925	2.660.948
Storage	1.803.992	1.560.316
Outsorcing	1.692.971	2.089.932
Energy	1.318.273	1.267.850
Travel	1.137.309	1.050.555
Communication	950.645	1.061.685
Office	838.344	858.670
Provision for employee termination benefits	718.936	1.052.476
Maintenance	571.675	1.184.227
Unused vacation provision	245.701	396.818
Other	5.915.552	2.976.681
	65.461.323	**57.894.851**

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

NOTE 22 - OTHER OPERATING INCOME

	1 January- 31 December 2013	1 January- 31 December 2012
Gains from credit sales	7.856.792	10.280.166
Rent income	1.527.285	1.208.852
Foreign exchange gains	483.549	46.418
Marketing support service income	492.600	461.297
Interest income	14.882	17.442
Other	415.456	363.756
	10.790.564	**12.377.931**

NOTE 23 - OTHER OPERATING EXPENSE

	1 January- 31 December 2013	1 January- 31 December 2012
Expense from credit purchases	(8.455.336)	(13.304.234)
Other	(1.911.996)	(231.894)
	(10.367.332)	**(13.536.128)**

NOTE 24 – INCOME FROM INVESTING ACTIVITIES

	31 December 2013	31 December 2012
Proceed from sale of fixed assets	10.334	20.139
Dividend income	5.272	4.918
	15.606	**25.057**

NOTE 25 - FINANCIAL EXPENSE

	1 January- 31 December 2013	1 January- 31 December 2012
Premium payment given	(157.616)	(77.900)
Direct collection system premiums	(115.783)	(55.012)
Letter of guarantee commission	(11.843)	(16.083)
Other financial expenses	-	(294)
	(285.242)	**(149.289)**

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

NOTE 26 - EARNINGS / (LOSS) PER SHARE

	1 January- 31 December 2013	1 January- 31 December 2012
Net loss for the period	(1.976.151)	(2.126.651)
Weighted average number of outstanding shares	4.860.000	4.860.000
Loss per share of par value at 1 TL	**(0,4066)**	**(0,4376)**

NOTE 27 – TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)

	31 December 2013	31 December 2012
Current tax liability:		
Current tax provision	-	-
Less: Prepaid taxes and funds	-	-
	-	-

Tax expense in the income statement:

Tax expense / (income) consists of the following:	1 January- 31 December 2013	1 January- 31 December 2012
Current period tax expense	-	-
Deferred income tax income	433.942	(207.365)
	433.942	**(207.365)**

Corporate Tax:

The Copmany is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

NOTE 27 – TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

Corporate Tax (Continued):

The effective tax rate in 2013 is 20% (2012: 20%) for the Company.

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2013 is 20%. (2012: 20%). Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Witholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 22 July 2006, this rate has been changed to 15% upon the Council of Minister's' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Withholding tax at the rate of 19.8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

Deferred Tax:

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% (31 December 2012: 20%; 1 January 2012: 20%) is used.

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

NOTE 27 – TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

Deferred Tax (Continued):

Deferred tax asset/ (liabilities):	**1 January- 31 December 2013**	**1 January- 31 December 2012**
Revaluation and depreciation of tangible fixed assets / amortization for other intangible assets	(818.206)	(631.255)
Provision for employment termination benefits	261.145	232.534
Provision for unused vacation	372.786	384.202
Unearned finance income from credit sales	351.398	144.407
Unearned finance expense of credit purchases	(453.254)	(229.695)
Provision for impairment on inventory	116.282	149.944
Provision for doubtful receivables	10.836	16.293
Increase in value of available for sale financial assets	(968.098)	(1.326.973)
Deductible tax losses	1.084.547	450.154
Other	7	194
	(42.557)	**(810.195)**

Deferred tax assets / (liabilities) movements

	1 January- 31 December 2013	**1 January- 31 December 2012**
1 January	(810.195)	220.108
Accounted for under the income statement	433.942	(207.365)
Accounted for under the equity	333.696	(822.938)
31 December	**(42.557)**	**(810.195)**

The Company has an accumulated losses amounting to TL 10.723.780 (2012: TL 7.671.251) that can be carried forward against future taxable income. Furthermore, the Company management foresees that the Company has strength probability of ability to utilize carryforward tax losses amounting to TL 5.422.737, deferred tax asset has been accounted for amounted as of 31 December 2013 to TL 1.084.547.

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

NOTE 27 – TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

	31 December 2013	31 December 2012
2015	2.965.373	2.965.373
2016	2.455.110	2.455.110
2017	664.498	664.498
2018	1.586.270	1.586.270
2019	3.052.529	-
	10.723.780	**7.671.251**

Reconciliation of taxation:	1 January- 31 December 2013	1 January- 31 December 2012
Loss before taxation	(2.410.093)	(1.919.286)
Tax at the domestic income tax rate	%20	%20
Calculated tax	482.019	383.857
- expenses that are not deductible in determining taxable profit	79.279	108.455
- dividend and revenue that is exempt from taxation	(1.054)	(984)
- the impact of prior year losses	(126.302)	(698.693)
Current tax income / (expense)	**433.942**	**(207.365)**

Expiration dates as of 31 December 2013 and 2012 of the unused tax losses are as follows:

	31 December 2013	31 December 2012
Deferred tax asset:		
-Deferred tax assets to be realized in twelve months	715.574	694.843
-Deferred tax assets to be realized after twelve months	1.534.824	682.691
	2.250.398	**1.377.534**

	31 December 2013	31 December 2012
Deferred tax liabilities:		
-Deferred tax assets to be realized in twelve months	481.472	1.556.665
-Deferred tax assets to be realized after twelve months	1.811.483	631.064
	2.292.955	**2.187.729**
Deferred tax (liabilities)/ assets, net	**(42.557)**	**(810.195)**

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

NOTE 27 – TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

Other comprehensive income tax effects:

	1 January - 31 December 2013		
	Before tax amount	**Income tax expense / income**	**After tax amount**
Changes in financial assets revaluation fund	(7.177.500)	358.875	(6.818.625)
Pension plan actuarial gains and losses	125.896	(25.179)	100.717
Other comprehensive income in the period	**(7.051.604)**	**333.696**	**(6.717.908)**

	1 January - 31 December 2012		
	Before tax amount	**Income tax expense / income**	**After tax amount**
Changes in financial assets revaluation fund	16.458.750	(822.938)	15.635.812
Pension plan actuarial gains and losses	(123.727)	-	(123.727)
Other comprehensive income in the period	**16.335.023**	**(822.938)**	**15.512.085**

Tax recognized directly in equity:

Deferred tax	**1 January- 31 December 2013**	**1 January- 31 December 2012**
Recorded directly to equity:		
- Revaluation of available for sale financial assets	358.875	(822.938)
- Actuarial gains and losses	(25.179)	-
Total deferred tax recognized directly in equity	**333.696**	**(822.938)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

NOTE 28 - RELATED PARTY BALANCES AND TRANSACTIONS

	31 December 2013	31 December 2012
Due from related parties:		
Ekom Eczacıbaşı Dış Ticaret A.Ş. ("Ekom")	92.986	1.325.153
Other	68.715	46.912
	161.701	**1.372.065**
Due from other related parties:		
Eczacıbaşı Gayrimenkul Geliştirme ve Yatırım A.Ş. ("Gayrimenkul")	2.350.060	1.134.012
Burgbad AG	711.388	351.149
VB Fliessen	495.471	153.855
Esan Eczacıbaşı Endüstriyel Hammaddeler Sanayi Ve Ticaret A.Ş.	345.015	111.481
Vitra Bad GMBH	291.999	77.668
Other	193.650	190.748
	4.387.583	**2.018.913**
Total receivables from related parties	**4.549.284**	**3.390.978**
Less: Deferred credit finance income (-)	(24.480)	(10.411)
Due from related parties, net	**4.524.804**	**3.380.567**

	31 December 2013	31 December 2012
Due to related parties:		
Eczacıbaşı Holding A.Ş.	807.029	920.461
Eczacıbaşı Bilişim San. Ve Tic. A.Ş. ("Eczacıbaşı Bilişim")	1.653.877	505.567
Other	18.059	16.283
	2.478.965	**1.442.311**
Due to other related parties:		
Eczacıbaşı Yapı Gereçleri San. ve Tic.A.Ş. ("EYAP")	81.181.544	81.334.107
Vitra Karo San. ve Tic. A.Ş. ("Vitra Karo")	44.202.448	34.016.358
Other	209.349	67.191
	125.593.341	**115.417.656**
Total payables to related parties	**128.072.306**	**116.859.967**
Less: Credit finance expense from purchases on account	(1.644.512)	(836.858)
Due to related parties, net	**126.427.794**	**116.023.109**

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

NOTE 28 - RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

Sales to related parties:

1 January - 31 December 2013	Sales of goods	Commission income	Service income	Other	Total
EYAP	190.950	18.074.989	31.540.774	756.869	50.563.582
Vitra Karo	22.913	7.309.682	18.811.787	120.700	26.265.082
Gayrimenkul	7.848.980	65.067	-	-	7.914.047
Ekom	501.195	-	292.561	8.779	802.535
Other	668.898	1.089	1.932.203	186.881	2.789.071
Total	**9.232.936**	**25.450.827**	**52.577.325**	**1.073.229**	**88.334.317**

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
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**

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

NOTE 28 - RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

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

1 January - 31 December 2013	Inventory(*)	Service	Fixed assets	Other	Total
Eczacıbaşı Yapı	317.928.057	384.790	25.810	1.225.932	319.564.589
Vitra Karo	169.523.298	134.617	56.000	520.482	170.234.397
Eczacıbaşı Bilişim	-	1.164.247	2.152.082	2.104.780	5.421.109
Eczacıbaşı Holding A.Ş.	-	4.026.524	1.525	673.061	4.701.110
Other	-	606.819	2.049	572.901	1.181.769
Total	**487.451.355**	**6.316.997**	**2.237.466**	**5.097.156**	**501.102.974**

1 January - 31 December 2012	Inventory(*)	Service	Fixed assets	Other	Total
Eczacıbaşı Yapı	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 A.Ş.	-	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**

(*)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.

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

NOTE 28 - RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

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.

	1 January - 31 December 2013	1 January - 31 December 2012
Benefits provided to board members and top management personnel		
Short-term benefits	4.744.238	3.533.703
Long-term benefits	143.990	182.695
Total	**4.888.228**	**3.716.398**

NOTE 29 - FINANCIAL RISK MANAGEMENT

Liquidity risk

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

31 December 2013	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	126.427.794	128.072.306	128.072.306	-	-	-
- Other	35.396.018	36.017.774	36.017.774	-	-	-
Financial payables	479.436	479.436	479.436			

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	30.290.231	30.601.846	30.601.846	-	-	-

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

NOTE 29 - 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.

	31 December 2013	31 December 2012
Total payables	181.938.806	165.439.334
Less: Cash and cash equivalents (Note 4)	(2.677.283)	(5.892.061)
Net debt	179.261.523	159.547.273
Total equity	20.279.955	28.974.014
Total capital	199.541.478	188.521.287
Debt/Capital ratio	**90%**	**85%**

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 2013, 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 1.330.313 (31 December 2012: TL 1.689.188).

		ISE 2. Session bid value	
	Ratio(%)	31 December 2013	31 December 2012
Trade name			
Eczacıbaşı Yapı Gereçleri Sanayi ve Ticaret A.Ş.	5,48	4,30	5,46

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

NOTE 29 - FINANCIAL RISK MANAGEMENT(Continued)

The foreign currency positions in assets and liabilities of the Company as of 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
Assets	5.135.227	8.528.463
Liabilities	(2.749.655)	(1.014.104)
Net foreign currency position	**2.385.572**	**7.514.359**

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

31 December 2013	TL equivalent	USD	EUR	GBP
Cash and cash equivalents	539	77	127	-
Receivables from related parties	1.750.793	35.536	553.745	13.920
Trade receivables	3.383.895	37.032	1.125.441	-
TOTAL ASSETS	**5.135.227**	**72.645**	**1.679.313**	**13.920**
Trade payables	811.643	29.724	252.962	1.532
Payables to related parties	1.938.012	77.315	603.780	-
TOTAL LIABILITIES	**2.749.655**	**107.039**	**856.742**	**1.532**
Net foreign currency position	**2.385.572**	**(34.394)**	**822.571**	**12.388**

31 December 2012	TL equivalent	USD	EUR	GBP
Trade receivables	8.523.383	50.560	3.569.075	13.885
Cash and cash equivalents	5.080	1.208	1.245	-
TOTAL ASSETS	**8.528.463**	**51.768**	**3.570.320**	**13.885**
Trade payables	1.014.104	66.433	380.865	-
TOTAL LIABILITIES	**1.014.104**	**66.433**	**380.865**	**-**
Net foreign currency position	**7.514.359**	**(14.665)**	**3.189.455**	**13.885**

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.

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

NOTE 29 - FINANCIAL RISK MANAGEMENT(Continued)

	Profit / Loss	
31 December 2013	**Appreciation of Foreign currency**	**Depreciation of Foreign currency**
If USD appreciates against TL by 10%		
USD net assets/(liabilities)	(7.341)	7.341
Part of hedged from USD risk (-)	-	-
USD net effect	(7.341)	7.341
If EUR appreciates against TL by 10%		
EUR net assets/(liabilities)	241.548	(241.548)
Part of hedged from EUR risk (-)	-	-
EUR net effect	241.548	(241.548)
If GBP appreciates against TL by 10%		
GBP net assets/(liabilities)	4.350	(4.350)
Part of hedged from GBP risk (-)	-	-
GBP net effect	4.350	(4.350)

	Profit / Loss	
31 December 2012	**Appreciation of Foreign currency**	**Depreciation of Foreign currency**
If USD appreciates against TL by 10%		
USD net assets/(liabilities)	(2.614)	2.614
Part of hedged from USD risk (-)	-	-
USD net effect	(2.614)	2.614
If EUR appreciates against TL by 10%		
EUR net assets/(liabilities)	750.064	(750.064)
Part of hedged from EUR risk (-)	-	-
EUR net effect	750.064	(750.064)
If GBP appreciates against TL by 10%		
GBP net assets/(liabilities)	3.986	(3.986)
Part of hedged from GBP risk (-)	-	-
GBP net effect	3.986	(3.986)

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

NOTE 30 – FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT MANAGEMENT DISCLOSURES)

Fair value of financial instruments:

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Level 1 financial assets and liabilities that are measured from the beginning of the year and year-end reconciliation is as follows.

31 December 2013	Available for sale financial assets	
	Stock	**Total**
Opening balance	33.783.750	33.783.750
Total loss / gain		
- recognized in other comprehensive income	(7.177.500)	(7.177.500)
Closing balance	**26.606.250**	**26.606.250**

31 December 2012	Available for sale financial assets	
	Stock	**Total**
Opening balance	17.325.000	17.325.000
Total loss / gain		
- recognized in other comprehensive income	16.458.750	16.458.750
Closing balance	**33.783.750**	**33.783.750**

NOTE 30 – FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT MANAGEMENT DISCLOSURES) (Continued)

The fair values of the financial assets and liabilities classification levels:

Financial assets and liabilities of the Company recognized in fair value on the financial statements at the end of the period. This table below shows fair value of these financial assets and liabilities:

Financial assets / financial liabilities	**Fair value**		**Fair level**	**Valuation technique**
	31 December 2013	**31 December 2012**		
Stocks (held for trading)	26.606.250	33.783.750	Level 1	Market Value

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

NOTE 30 – FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT MANAGEMENT DISCLOSURES) (Continued)

31 December 2013	Loans and receivables (including cash and cash equivalents)	Available for sale financial assets	Amortized carried at financial liabilities	Book value	The fair value	Note
Financial assets						
Cash and cash equivalents	2.677.283	-	-	2.677.283	2.677.283	*4*
Trade receivables	137.888.442	-	-	137.888.442	137.888.442	*6*
Receivables from related parties	4.524.804	-	-	4.524.804	4.524.804	*6*
Other financial assets	-	26.614.333	-	7.244.290	26.614.333	*5*
Financial liabilities						
Financial liabilities	479.436	-	-	479.436	479.436	*7*
Trade payables	-	-	35.396.018	35.396.018	35.396.018	*6*
Payables to related parties	-	-	126.427.794	126.427.794	126.427.794	*6*

31 December 2012	Loans and receivables (including cash and cash equivalents)	Available for sale financial assets	Amortized carried at financial liabilities	Book value	The fair value	Note
Financial assets						
Cash and cash equivalents	5.892.061	-	-	5.892.061	5.892.061	*4*
Trade receivables	125.632.236	-	-	125.632.236	125.632.236	*6*
Receivables from related parties	3.380.567	-	-	3.380.567	3.380.567	*6*
Other financial assets	-	33.791.833	-	7.244.290	33.791.833	*5*
Financial liabilities						
Trade payables	-	-	116.023.109	116.023.109	116.023.109	*6*
Payables to related parties	-	-	30.290.231	30.290.231	30.290.231	*6*

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

NOTE 31 - RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

In accordance with CMB's resolution dated 7 June 2013 and 20/670, examples of financial statements taken into effect for the interim periods after 31 March 2013 and user guide have been published for the capital markets institutions within the scope of Principles of Financial Reporting in Capital Markets Communiqué. In the current period, the company has reclassified its prior period statement of financial position and profit and loss table in order to comply with the formats declared at 7 June 2013 by CMB. The relassifications which have been applied in the 31 December 2012 and 31 December 2011 statement of financial positions do not have any effect on net period profit or loss and total equity.

The nature, cause and amount of reclassifications are as follows:

31 December 2012	Previously reported	Classifications	Restated
Other receivables (Short term)	56.793	42.011	98.804
Prepaid expenses (Short term)	-	1.788.887	1.788.887
Current Tax Assets	-	2.616	2.616
Other Current Assets	2.944.190	(1.833.514)	1.110.676
Prepaid Expenses (Long term)	-	328.466	328.466
Other Fixed Assets	328.466	(328.466)	-
Trade Payables	146.273.305	40.035	146.313.340
Other Payables	1.526.660	(1.526.660)	-
Employee Benefits	-	1.006.120	1.006.120
Other Short-Term Provisions	-	94.669	94.669
Deferred Income (Short Term)	-	11.869.255	11.869.255
Other Short-Term Liabilities	12.507.257	(11.483.419)	1.023.838
Deferred Revenues (Long term)	-	1.238.240	1.238.240
Other Long-Term Liabilities	1.238.240	(1.238.240)	-
Other Operating Income	-	12.377.931	12.377.931
Other Operating Expenses (-)	-	(13.536.128)	(13.536.128)
Other Income	2.100.461	(2.100.461)	-
Other Expenses	(278.312)	278.312	-
Income from Investment Operations	-	25.057	25.057
Finance Income	10.348.945	(10.348.945)	-
Financing Expenses (-)	(13.453.523)	13.304.234	(149.289)

NOTE 31 - RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS (Continued)

- Personnel advances and work advances which is shown in other current assets previously, shown in other receivables in the current period,

- Prepaid expenses which is shown in other current assets previously, shown in prepaid expenses(short term) in the current period,

- Advances given which is shown in other current assets previously, shown in short-term prepaid expenses in the current period,

- Prepaid taxes and deductions which is shown in other current assets previously, shown in current tax assets in the current period

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- Prepaid expenses which is shown in other non-current assets previously, shown in prepaid expenses(long term) in the current period,

- Taxes and funds which is shown in other payables previously, shown in other current liabilities in the current period,

- Social security premiums payable which is shown in other payables previously, shown in employee benefits in the current period,

- Due to personnel which is shown in other current liabilities previously, shown in employee benefits in the current period,

-Deferred income which is shown in other current liabilities previously, shown in deferred income benefits in the current period,

-Expense accruals which is shown in other current liabilities previously, shown in other short term provisions and payables benefits in the current period,

-Advances received which is shown in other current liabilities previously, shown in deferrend income (short-term) benefits in the current period,

-Deferred income which is shown in other non-current liabilities previously, shown in deferred income (long-term) in the current period,

-Compensation income which is shown in other income previously, shown in income from other operating activities in the current period,

-Other operating income which is shown in other income previously, shown in income from other operating activities in the current period,

-Donations which is shown in other expense previously, shown in expense from other operating activities in the current period,

-Other expense which is shown in other income previously, shown in income from other operating activities in the current period,

- Term deposit interest income which is shown in finance income previously, shown in income from other operating activities in the current period,

- Credit finance income from sales on account which is shown in finance income previously, shown in income from other operating activities in the current period,

-Credit finance expense from purchases on account which is shown in finance expense previously, shown in expense from other operating activities in the current period.

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

NOTE 31 - RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS (Continued)

31 December 2011	Previously reported	Adjustments	Restated
Other receivables	52.704	23.127	75.831
Prepaid expenses	-	1.264.665	1.264.665
Current Tax Assets	-	2.481	2.481
Other Current Assets	1.972.983	(1.290.273)	682.710
Other Non-Current Assets	383.774	(383.774)	-
Prepaid Expenses	-	383.774	383.774
Trade Payables	119.708.383	101.066	119.809.449
Employee Benefits	-	1.581.224	1.581.224
Other Payables	1.636.646	(1.636.646)	-
Deferred Income	-	11.863.731	11.863.731
Other Short-Term Liabilities	12.721.079	(11.909.375)	811.704
Other Long-Term Liabilities	1.123.765	(1.123.765)	-
Deferred Income	-	1.123.765	1.123.765

NOTE 32 - SUBSEQUENT EVENTS

None.