

EİS ECZACIBAŞI İLAÇ, SİNAİ VE FİNANSAL YATIRIMLAR SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2014**

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

		<i>Not Reviewed 31 March 2014</i>	<i>Audited 31 December 2013</i>
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents	5	684,741	719,594
Financial investments	6	746	308
Trade receivables			
- Trade receivables due from related parties	8	15,178	9,023
- Trade receivables due from third parties	9	221,026	198,791
Other receivables			
- Other receivables due from third parties		4,781	865
Inventories	10	192,835	198,343
Prepaid expenses	11	3,758	1,423
Current income tax assets	12	3,975	1,926
Other current assets	18	9,627	9,256
Total current assets		1,136,667	1,139,529
Non-current assets			
Trade receivables			
- Trade receivables due from third parties	9	1,050	1,930
Other receivables			
- Other receivables due from third parties		45	50
Financial investments	6	1,766,835	1,767,384
Investments accounted for using equity method	3	129,106	132,643
Investment properties	13	202,147	204,340
Property, plant and equipment	14	45,546	45,815
Intangible assets			
- Goodwill		39,511	39,511
- Other intangible assets	15	32,415	33,347
Prepaid expenses	11	1,211	3,118
Deferred income tax assets	26	9,794	9,628
Other non-current assets	18	54,427	59,924
Total non-current assets		2,282,087	2,297,690
Total assets		3,418,754	3,437,219

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

	Notes	<i>Not Reviewed</i> 31 March 2014	<i>Audited</i> 31 December 2013
LIABILITIES			
Current liabilities			
Short term borrowings	7	93,862	65,353
Trade payables			
- Trade payables due to related parties	8	115,635	94,784
- Trade payables due to third parties	9	131,565	147,152
Employee benefit obligations	17	1,701	3,597
Other payables			
- Other payables due to related parties		-	38,166
- Other payables due to third parties		7,536	6,261
Deferred income	11	27,230	45,812
Current income tax liabilities	26	3,259	7,824
Short term provisions			
- Short term provisions for employee benefits	17	5,176	4,664
- Other short term provisions	16	2,013	2,122
Other current liabilities	18	2,042	458
Total current liabilities		390,019	416,193
Non-current liabilities			
Deferred income	11	3,993	5,695
Long term provisions			
- Long term provisions for employee benefits	17	3,411	3,436
Deferred income tax liabilities	26	84,377	84,218
Other non-current liabilities	18	7,500	7,500
Total non-current liabilities		99,281	100,849

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AS OF 31 MARCH 2014**

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

		<i>Not Reviewed</i> 31 March 2014	<i>Audited</i> 31 December 2013
	Notes		
EQUITY			
Share capital	19	548,208	548,208
Adjustments to share capital	19	105,777	105,777
Items that will not be reclassified subsequently to profit or loss			
- Defined benefit plans re-measurement gains / losses		(182)	(182)
Items that may be reclassified subsequently to profit or loss			
- Cumulative translation differences		3,736	3,366
- Gains / losses on available for sale financial assets due to revaluation or/and reclassification		1,540,550	1,540,598
Restricted reserves	19	299,764	299,764
Retained earnings		383,750	322,336
Net income for the period		9,674	61,414
Attributable to equity holders of the Company		2,891,277	2,881,281
Non-controlling interests		38,177	38,896
Total equity		2,929,454	2,920,177
Total liabilities and equity		3,418,754	3,437,219

EİS ECZACIBAŞI İLAÇ, SİNAİ VE FİNANSAL YATIRIMLAR SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2014**

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

		<i>Not Reviewed</i> 1 January - 31 March 2014	<i>Not Reviewed</i> 1 January - 31 March 2013
	Notes		
PROFIT OR LOSS			
Revenue	20	256,942	253,140
Cost of sales (-)	20	(203,156)	(202,646)
Gross profit		53,786	50,494
General administrative expenses (-)	21	(19,391)	(16,992)
Marketing expenses (-)	21	(29,141)	(30,236)
Research and development expenses (-)	21	(329)	(262)
Other operating income	23	48,686	20,582
Other operating expense (-)	23	(33,597)	(14,857)
Operating profit		20,014	8,729
Income from investing activities	24	82	527
Expenses from investing activities (-)	24	(26)	(17)
Share of profit of investments accounted for using equity method (-)	3	(3,519)	(5,122)
Operating income before finance expense		16,551	4,117
Financial expenses (-)	25	(2,647)	(766)
Profit before tax		13,904	3,351
Tax income / (expense) from continuing operations		(4,846)	(2,132)
Income tax expense (-)	26	(4,845)	(2,617)
Deferred tax income expense (-)	26	(1)	485
Profit for the period		9,058	1,219
Attributable to			
- Non-controlling interests		(616)	948
- Equity holders of the parent	27	9,674	271
Net profit for the period		9,058	1,219
Weighted average number of ordinary shares with face value of KR 1 each		54,820,800,000	54,820,800,000
Basic and diluted earnings / (loss) per share	27	0.0176	0.0005

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**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014**

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

		<i>Not Reviewed</i> 1 January - 31 March 2014	<i>Not Reviewed</i> 1 January - 31 March 2013
	Notes		
Profit for the period		9,058	1,219
Other comprehensive income / (expenses)			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences		385	364
- Gains / losses on available for sale financial assets due to revaluation or/and reclassification		(156)	(72)
- Group’s share in equity method accounted investments’ comprehensive income	3	(18)	(3,318)
- Tax relating to items that may be reclassified subsequently	26	8	4
Other comprehensive (loss) / income (after tax)		219	(3,022)
Total comprehensive income		9,277	(1,803)
Total comprehensive income / (loss) attributable to:			
- Non-controlling interest		(719)	897
- Equity holders of the parent		9,996	(2,700)
Total comprehensive income		9,277	(1,803)

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014**

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

			Items that will not be reclassified subsequently to profit or loss	Items that may be reclassified subsequently to profit or loss			Retained Earnings		Attributable to equity holders of the Company	Non- controlling interest	Total Equity
	Share Capital	Adjustment to share capital	Defined benefit plans re-measurement gains / losses	Cumulative translation differences	Financial assets’ fair value reserve	Restricted reserves	Retained earnings	Net (loss)/ profit for the period			
As of 1 January 2014	548,208	105,777	(182)	3,366	1,540,598	299,764	322,336	61,414	2,881,281	38,896	2,920,177
Transfers	-	-	-	-	-	-	61,414	(61,414)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	370	(48)	-	-	9,674	9,996	(719)	9,277
31 March 2014	548,208	105,777	(182)	3,736	1,540,550	299,764	383,750	9,674	2,891,277	38,177	2,929,454
As of 1 January 2013	548,208	105,777	(1,887)	1,877	1,528,836	258,084	384,423	34,414	2,859,732	45,903	2,905,635
Transfers	-	-	-	-	-	-	34,414	(34,414)	-	-	-
Capital increases	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	(2,893)	(78)	-	-	271	(2,700)	897	(1,803)
31 March 2013	548,208	105,777	(1,887)	(1,016)	1,528,758	258,084	418,837	271	2,857,032	46,800	2,903,832

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014**

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

		<i>Not Reviewed</i> 1 January - 31 March 2014	<i>Not Reviewed</i> 1 January - 31 March 2013
	Notes		
A. Cash flows from operating activities			
Income for the period		9,058	1,219
Adjustments for reconciliation of profit / loss for the period:			
Adjustments for depreciation and amortisation	22	4,688	3,236
Provision for employment termination benefits	22	441	888
Provision for unused vacation	21	558	732
Provision for doubtful receivable	21	321	-
Loss / (gain) on sale of property, plant and equipment, net	24	(56)	(393)
Provision for diminution in value of inventories, net	23	1,549	1,253
Group's share in the associates' loss	3	3,519	5,122
Adjustments for interest income and expenses	23, 25	(4,602)	(6,534)
Adjustments for income tax expense / income	26	4,846	2,132
Provision for litigations	16	-	119
Provision for premiums and bonuses		-	926
Adjustments for unrecognized foreign exchange differences		(14,054)	897
Income / expense accruals	9	1,348	472
Changes in working capital:			
Adjustments for increase / decrease in trade receivables		(27,828)	(62,533)
Adjustments for increase / decrease in inventories		3,959	(24,632)
Adjustments for increase / decrease in trade payables		4,686	37,072
Adjustments for increase / decrease in other receivables related with operations		(1,289)	1,413
Adjustments for increase / decrease in other payables related with operations		(57,596)	10,811
		(70,452)	(27,800)
Cash flows from operating activities:			
Interest received		10,724	8,674
Credit finance expenses		(2,010)	(1,388)
Taxes paid		(9,410)	(4,554)
Employment termination benefits paid	17	(466)	(278)
Unused vacation paid	17	(46)	(164)
Collections of doubtful receivables	9	-	15
		(71,660)	(25,495)

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FOR THE YEAR ENDED 31 MARCH 2014**

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		<i>Not Reviewed</i> 1 January - 31 March 2014	<i>Not Reviewed</i> 1 January - 31 March 2013
	Notes		
B. Cash flows from investing activities			
Cash outflows from the purchase of tangible and intangible assets	13, 14, 15	(1,357)	(1,372)
Cash inflows from the sale of tangible and intangible assets	13, 14, 15, 24	119	787
Changes in financial assets		5	32
		(1,233)	(553)
C. Cash flows from financing activities			
Cash inflows / (outflows) from bank borrowings		28,509	23,122
Interest paid		(2,521)	(700)
		25,988	22,422
Net increase / decrease in cash and cash equivalents before the impact of foreign currency translation differences (A+B+C)		(46,905)	(3,626)
D. Impact of foreign currency translation differences on cash and cash equivalents		13,643	(357)
Net decrease in cash and cash equivalents (A+B+C+D)		(33,262)	(3,983)
E. Cash and cash equivalents at the beginning of the period	5	717,257	703,992
Cash and cash equivalents at the end of the period (A+B+C+D+E)	5	683,995	700,009