

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2013**

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

	Notes	31 December 2013	(Restated) 31 December 2012	(Restated) 1 January 2012
ASSETS				
Current assets				
Cash and cash equivalents	7	719,594	705,168	754,624
Financial investments	8	308	372	1,404
Trade receivables				
- Trade receivables due from related parties	10	9,023	932	724
- Trade receivables due from third parties	11	198,791	173,157	129,716
Other receivables				
- Other receivables due from third parties	12	865	264	157
Inventories	13	198,343	169,994	105,818
Prepaid expenses	14	1,423	645	2,585
Current income tax assets	15	1,926	2,182	928
Other current assets	22	9,256	16,499	1,472
Total current assets		1,139,529	1,069,213	997,428
Non-current assets				
Trade receivables				
- Trade receivables due from third parties	11	1,930	2,916	5,659
Other receivables				
- Other receivables due from third parties	12	50	61	14
Financial investments	8	1,767,384	1,755,762	1,463,931
Investments accounted for using equity method	5	132,643	129,618	173,454
Investment properties	16	204,340	204,997	208,577
Property, plant and equipment	17	45,815	47,876	22,289
Intangible assets				
- Goodwill	19	39,511	39,511	-
- Other intangible assets	18	33,347	31,424	9,303
Prepaid expenses	14	3,118	24,926	26,418
Deferred income tax assets	30	9,628	8,918	7,434
Other non-current assets	22	59,924	45,479	41,429
Total non-current assets		2,297,690	2,291,488	1,958,508
Total assets		3,437,219	3,360,701	2,955,936

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	Notes	31 December 2013	(Restated) 31 December 2012	(Restated) 1 January 2012
LIABILITIES				
Current liabilities				
Short term borrowings	9	65,353	31,769	27,197
Trade payables				
- Trade payables due to related parties	10	94,784	96,912	118,616
- Trade payables due to third parties	11	147,152	116,482	67,692
Employee benefit obligations	21	3,597	1,838	2,148
Other payables				
- Other payables due to related parties	10	38,166	-	-
- Other payables due to third parties	12	6,261	5,680	4,010
Derivative financial instruments		-	-	1,387
Deferred income	14	45,812	81,395	25,218
Current income tax liabilities	30	7,824	1,181	910
Short term provisions				
- Short term provisions for employee benefits	21	4,664	6,138	4,014
- Other short term provisions	20	2,122	2,154	1,159
Other current liabilities	22	458	446	259
Total current liabilities		416,193	343,995	252,610
Non-current liabilities				
Long term borrowings	9	-	63	-
Trade payables				
- Trade payables due to related parties	10	-	1,414	4,418
Deferred income	14	5,695	14,423	17,683
Long term provisions				
- Long term provisions for employee benefits	21	3,436	3,782	2,306
Deferred income tax liabilities	30	84,218	83,889	65,108
Other non-current liabilities	22	7,500	7,500	-
Total non-current liabilities		100,849	111,071	89,515

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

	Notes	31 December 2013	(Restated) 31 December 2012	(Restated) 1 January 2012
EQUITY				
Share capital	23	548,208	548,208	548,208
Adjustments to share capital	23	105,777	105,777	105,777
Items that will not be reclassified subsequently to profit or loss				
- Defined benefit plans re-measurement gains / losses		(182)	(1,887)	(162)
Items that may be reclassified subsequently to profit or loss				
- Cumulative translation differences		3,366	1,877	1,383
- Gains / losses on available for sale financial assets due to revaluation or/and reclassification		1,540,598	1,528,836	1,248,552
Restricted reserves	23	299,764	258,084	248,754
Retained earnings		322,336	384,423	359,902
Net income for the period		61,414	34,414	88,672
Attributable to equity holders of the Company		2,881,281	2,859,732	2,601,086
Non-controlling interests		38,896	45,903	12,725
Total equity		2,920,177	2,905,635	2,613,811
Total liabilities and equity		3,437,219	3,360,701	2,955,936

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

		1 January - 31 December 2013	(Restated) 1 January - 31 December 2012
	Notes		
PROFIT OR LOSS			
Revenue	24	1,126,009	887,334
Cost of sales (-)	24	(919,875)	(724,015)
Gross profit		206,134	163,319
General administrative expenses (-)	25	(74,183)	(62,244)
Marketing expenses (-)	25	(120,889)	(92,543)
Research and development expenses (-)	25	(1,053)	-
Other operating income	27	172,004	94,858
Other operating expense (-)	27	(47,330)	(84,710)
Operating profit		134,683	18,680
Income from investing activities	28	9,251	63,326
Expenses from investing activities (-)	28	(51)	(46)
Share of profit of investments accounted for using equity method (-)	5	(50,649)	(31,751)
Operating income before finance expense		93,234	50,209
Financial income	29	-	1,391
Financial expenses (-)	29	(6,204)	(3,638)
Profit before tax		87,030	47,962
Tax income / (expense) from continuing operations		(28,996)	(8,773)
Income tax expense (-)	30	(30,075)	(8,917)
Deferred tax income expense (-)	30	1,079	144
Profit for the period		58,034	39,189
Attributable to			
- Non-controlling interests		(3,380)	4,775
- Equity holders of the parent	31	61,414	34,414
Net profit for the period		58,034	39,189
Weighted average number of ordinary shares with face value of KR 1 each	31	54,820,800,000	54,820,800,000
Basic and diluted earnings / (loss) per share	31	0.1120	0.0628

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**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

			(Restated)
	Notes	1 January - 31 December 2013	1 January - 31 December 2012
Profit for the period		58,034	39,189
Other comprehensive income / (expenses)			
Items that will not be reclassified subsequently to profit or loss			
- Gain/loss on remeasurement of defined benefit plans	21	484	(468)
- Group’s share in equity method accounted investments’ comprehensive income	5	1,491	(1,487)
- Tax relating to items that will not be reclassified subsequently	30	(96)	94
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences		(658)	37
- Gains / losses on available for sale financial assets due to revaluation or/and reclassification	8	12,045	292,609
- Group’s share in equity method accounted investments’ comprehensive income	5	2,065	3,279
- Tax relating to items that may be reclassified subsequently	30	(602)	(14,636)
Other comprehensive (loss) / income (after tax)		14,729	279,428
Total comprehensive income		72,763	318,617
Total comprehensive income / (loss) attributable to:			
- Non-controlling interest		(3,607)	5,150
- Equity holders of the parent		76,370	313,467
Total comprehensive income		72,763	318,617

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

(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 2013	548,208	105,777	-	1,877	1,528,836	258,084	384,261	32,689	2,859,732	47,158	2,906,890
Changes in accounting policies (Note 2.2)	-	-	(1,887)	-	-	-	162	1,725	-	(1,255)	(1,255)
As restated 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	-	-	-	-	-	41,680	(7,266)	(34,414)	-	-	-
Dividends paid	-	-	-	-	-	-	(54,821)	-	(54,821)	(3,400)	(58,221)
Total comprehensive income / (loss)	-	-	1,705	1,489	11,762	-	-	61,414	76,370	(3,607)	72,763
31 December 2013	548,208	105,777	(182)	3,366	1,540,598	299,764	322,336	61,414	2,881,281	38,896	2,920,177
As of 1 January 2012	548,208	105,777	-	1,383	1,248,552	248,754	359,902	88,510	2,601,086	16,118	2,617,204
Changes in accounting policies (Note 2.2)	-	-	(162)	-	-	-	-	162	-	(3,393)	(3,393)
As restated as of 1 January 2012	548,208	105,777	(162)	1,383	1,248,552	248,754	359,902	88,672	2,601,086	12,725	2,613,811
Transfers	-	-	-	-	-	9,330	79,342	(88,672)	-	-	-
Capital increases	-	-	-	-	-	-	-	-	-	32,208	32,208
Dividends paid	-	-	-	-	-	-	(54,821)	-	(54,821)	(4,180)	(59,001)
Total comprehensive income / (loss)	-	-	(1,725)	494	280,284	-	-	34,414	313,467	5,150	318,617
31 December 2012	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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

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

		1 January - 31 December 2013	(Restated) 1 January - 31 December 2012
	Notes		
A. Cash flows from operating activities			
Income for the period		58,034	39,189
Adjustments for reconciliation of profit / loss for the period:			
Adjustments for depreciation and amortisation	26	14,198	10,740
Provision for employment termination benefits	26	850	675
Provision for unused vacation	25	(139)	1,922
Provision for doubtful receivable	25	879	1,728
Loss / (gain) on sale of property, plant and equipment, net	28	(1,086)	(6,203)
Provision for diminution in value of inventories, net	27	3,343	5,205
Group's share in the associates' loss	5	50,649	31,751
Profit from the sale of the shares of joint venture	28	-	(49,136)
Adjustments for interest income and expenses	27, 29	(26,401)	(39,218)
Adjustments for income tax expense / income	30	28,996	8,773
Dividend income	28	(8,114)	(7,941)
Provision for litigations	27	1,313	-
Provision for premiums and bonuses		1,440	1,106
Adjustments for unrecognized foreign exchange differences		(98,622)	22,998
Income / expense accruals	11	1,551	423
Changes in working capital:			
Adjustments for increase / decrease in trade receivables		(33,688)	(15,707)
Adjustments for increase / decrease in inventories		(31,692)	(62,453)
Adjustments for increase / decrease in trade payables		26,062	(1,336)
Adjustments for increase / decrease in other receivables related with operations		13,619	(23,521)
Adjustments for increase / decrease in other payables related with operations		(45,850)	91,686
		(44,658)	10,681
Cash flows from operating activities:			
Interest received		37,720	48,959
Credit finance expenses		(7,139)	(7,749)
Taxes paid		(23,432)	(8,646)
Employment termination benefits paid	21	(712)	(290)
Unused vacation paid	21	(229)	(1,065)
Collections of doubtful receivables	11	302	18
		(38,148)	41,908

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

			(Restated)
	Notes	1 January - 31 December 2013	1 January - 31 December 2012
B. Cash flows from investing activities			
Cash outflows from the purchase of tangible and intangible assets	16, 17, 18	(14,854)	(30,443)
Cash inflows from the sale of tangible and intangible assets	16, 17, 18, 28	2,382	8,001
Acquisition of shares of subsidiary	19	-	(51,733)
Proceeds from the sale of the shares of joint venture	28	-	58,904
Dividends received		8,114	7,941
Dividends received from investments accounted for using equity method	5	945	4,164
Changes in financial assets		487	1,864
Capital advance payments to joint ventures and associates	5	(12,897)	(54)
		(15,823)	(1,356)
C. Cash flows from financing activities			
Cash inflows / (outflows) from bank borrowings		33,521	(6,071)
Interest paid		(5,341)	(1,992)
Dividends paid to non-controlling interest		(3,400)	(4,180)
Dividends paid	31	(54,821)	(54,821)
		(30,041)	(67,064)
Net increase / decrease in cash and cash equivalents before the impact of foreign currency translation differences (A+B+C)		(84,012)	(26,512)
D. Impact of foreign currency translation differences on cash and cash equivalents		97,277	(22,944)
Net decrease in cash and cash equivalents (A+B+C+D)		13,265	(49,456)
E. Cash and cash equivalents at the beginning of the period	7	703,992	753,448
Cash and cash equivalents at the end of the period (A+B+C+D+E)	7	717,257	703,992