KATMERCİLER ANNUAL REPORT - 2012

WITH REALISTIC GOALS, WE'RE MOVING WITH ASSURED STEPS TOWARDS THE GOAL OF BECOMING A REGIONAL BRAND

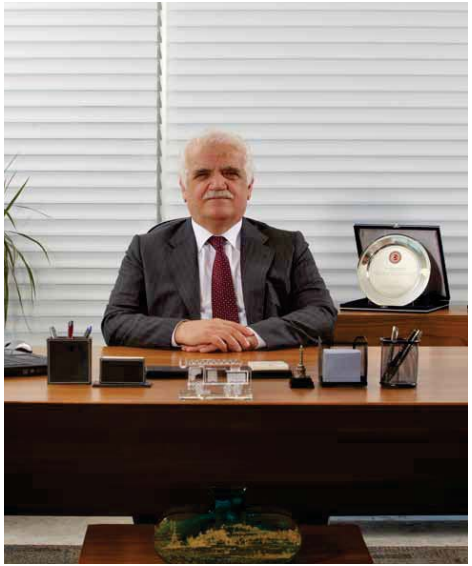
The day he founded Katmerci Profil, İsmail Katmerci had created a dream as well. The day was going to come and Katmerciler was going to become a well known brand in many countries in the world and Katmerciler's products was going to bring convenience to daily life not only in Turkey but all over the world. Today, Katmerciler's products serve customers in 42 countries in the world. Katmerciler brand is moving rapidly and with assured steps towards becoming a regional brand. As a company that grew five times within five years, Katmerciler keeps on turning its realistic dreams into reality.

CORRECT STRATEGY, CORRECT STRUCTURING

It is good to dreaming but it is really a big challenge to make it real! Moving from this fact, Katmerciler embarked on this journey by moving forward with a mission that matched the company's vision by moving forward with assured steps and setting realistic targets on its way. First, the correct strategies were determined and then focus was on R&D investments and broad product segmentation which were the must-haves of this sector. We knew that a broad product range meant nothing without good quality. For Katmerciler, quality turned into an important and indispensible benchmark at every stage of production. However a broad product range with high quality was not sufficient to attain sustainable growth either. The only way to grow in Turkey and abroad was to develop the company's skills in aggressive marketing. Today, Katmerciler is a company that has reached all of its strategic goals...

STABILITY FOR SUSTAINABLE GROWTH

With its awareness of the fact that no company with big goals can become a regional brand without going public, Katmerciler got listed in ISE. But when going public, Katmerciler's goal was not only to create funding but to attain an organizational structure that achieves sustainable growth via the implementation of corporate governance principles. Having grown five times within the last five years, Katmerciler collected the fruits of a strategy of growth beyond national borders. During this growth process, share of exports in total revenue increased continuously. Brand awareness as well increased mainly in the Middle East, Balkans and Eurasia parallel to this growth in exports. Moving with the awareness that the company has reached the last phase of the process of becoming a regional brand as an indicator of company's vision of reaching its goals step by step, Katmerciler will continue its horizontal and vertical growth in the coming years as well. Katmerciler has increased the number of export destinations parallel to its broad product range and the company's long term goal is to become a global brand...



İSMAİL KATMERCİ / CHAIRMAN OF THE BOARD

MOVING TOWARDS OUR GOAL OF BECOMING A REGIONAL BRAND

Every business has goals and every business owner and managers of the business would have dreams. And for the dreams to turn into goals and the goals to turn into reality, that business needs to possess an appropriate structure and sufficient capability. Unless you lay a strong foundation for your business and make good maneuvers on the way to your goal, dreams would turn into frustration.

Moving with this perspective, we embarked on a challenging journey 28 years ago. Following a period of comprehensive research and evaluation, we decided to move from sheet metal production to vehicle-mounted-equipment production. We had seen that vehicle-mounted-equipment sector in Turkey was a niche market in Turkey that offered significant growth potential. Moving from this observation we carried out feasibility studies and entered this sector. We've always had a goal since the first day we started our operations. Katmerciler was to become the leader of its sector first in Turkey and produce both for the domestic market and continue to develop as company that focused on exports as well.

VISION OF SUSTAINABLE AND RAPID GROWTH

We are supporting our vision of continuous growth with R&D activities, we moved closer to our goals every year. We started manufacturing fire brigade equipment in 1987. In 1993, we moved our production facilities to Atatürk Organized Industrial Zone. In 1994, we added garbage equipment to our product line. In 1998 we made our first exports to Japan and expanded our export markets to cover a broad geography that includes Asia, Europe, Africa and the Middle East. In 2001, we entered the Middle East market via Iraq and then the African market via Algeria and Egypt. In 2004, we started manufacturing vehicle rescue equipment. In 1995, we delivered 195 pieces of equipment to the Ministry of Defense. And recently we added Russia to our exports portfolio and became a company that exports its products to 41 countries.

And in November 2010, we opened 24% of the shares of our company to public and opened a new page both in the history of our business and the history of the sector. It was a novelty.

INNOVATIVENESS AND BROAD PRODUCT RANGE

All our projections are aimed at helping our company move up further. In line with our business approach that emphasizes market leadership and innovation, we aim to expand our product range further by employing the latest technologies, to further improve our product and service quality and to reinforce our position in exports markets in addition to domestic markets. We've reached an agreement with France based Gimaex International, a leading manufacturer of fire brigade equipment in the world, for setting up a 50/50 partnership to be located in İzmir. Our new company titled GimKat Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. which started its operations in February 2012, will be manufacturing fire brigade equipment with high added value especially for foreign markets and its main target will be the international markets. And in the following periods as well, we are planning to increase our exports as a result of new investments. Parallel to the increase in our sales volume, we are also planning to increase our technology investments.

AN IMPORTANT STEP TOWARDS BRANDIZATION

Now we are very close to making our dreams come true with our corporate identity, brand awareness, our product portfolio comprising over a thousand vehicle–mounted–equipment, our flexible production capability and R&D power and our strong marketing team. We've never perceived our success in exports as a quantitative factor only. For us, to be exporting our products to 41 countries, also meant realizing the project for a sustainable brand. While conducting our regional market analyses, we not only analyzed the demand from neighboring countries but ensured to take measures not to compromise quality and after sales service in order to be permanent in those markets. We held customer satisfaction above everything. Because we knew that every export we made will improve quality of life in that country and leave a trace. Now, many public institutions and private sector companies in the region are well aware of Katmerciler. They all know that we are able to respond to all of their orders and deliver high quality products in a timely manner. We know that we are about to reach our goal towards which we've been moving with assures steps for many years now, and we aim to further improve our quality standards. In 2013 we will both increase the number of countries we export our products to and improve the diversity of our product categories. And in 2015 we will be able to say "Katmerciler is the region's strongest brand in the vehicle–mounted–equipment sector". And we will embark on a new journey towards a new goal, a journey from being a regional brand to being a global one... Hand in hand with our employees and our stakeholders!...

MEHMET KATMERCİ / CHAIRMAN OF THE ADMINISTRATIVE COMMITTEE

RAPID AND SUSTAINABLE DEVELOPMENT IS NOW AN ORGANIZATIONAL FEATURE

It is a great pleasure for the manager of a business to reach his/her goals. For the last five years, we've been experiencing the joy and pride of achieving and even exceeding all our financial targets. And being able to share all these achievements with our shareholders in the most transparent manner with our stakeholders, is a greater source of joy for us. We didn't make pledge just for ourselves... We became one in order to realize our decisions and to reach our goals. We had big goals but they were realistic ones. And they all became true.

SIGNIFICANT IMPROVEMENT IN EVERY INDICATOR

During the five year period between 2007-2012, Katmerciler improved its corporate performance in an impressive way and this reflected to its financial results as well.

Our company went public in November 2010 and looking at the annual audited financial performance starting with 2007, it is seen that major items of our balance sheet demonstrated significant improvements.

We demonstrated the success of increasing our revenue from 26.2 million Liras in 2007 to 153.1 million Liras in 2012. Our operating profit was 1.23 million TL in 2007 and it increased to 13.63 million TL by the end of 2012.

We had foreseen that during the five year period between 2007-2012, equity and assets of the company would increase eight times. Katmerciler's equity, which was 4.34 million Liras by the end of 2007, reached 40.32 million Liras in 2012 which means we exceeded our targets. And our assets were at a level of 17.96 million Liras in 2007 and this figure is 152.96 million Liras by the end of 2012...

This five year period shows that Katmerciler's rapid growth is not a coincidence or temporary and that we've managed to convert this impressive growth process into an organizational skill.

EXPORT RECORDS ONE AFTER THE OTHER

Our company increased its total exports which was 18 million Liras in 2007 to 137.7 million Liras in 2012, which caused the share of exports in the total revenue to 91%. Total increase in the exports of the company during the five year period was about 50%. This is also an indication that our company is moving with assured steps towards it goal of becoming a regional brand...

We said that our goal is to achieve healthy, sustainable and profitable growth. For the last five years we're moving towards this goal without hesitation.

Looking at the five years as a whole, we see that our average annual growth rate was 40%. And in 2012, we far exceeded our growth target of 20% and achieved a growth rate of 79%. And we owe this growth mostly to the increase in our exports, which is now about 50% on average per year. We place great emphasis on exports as part of our goal of growing at the international level and turning into a regional brand in the vehicle-mounted-equipment sector. As a company that exports its products to 41 countries, we're striving to represent our sector and our country in the best manner in the world.

FIVE TIMES GROWTH IN ONLY FIVE YEARS

While growing five times in only five years, we increased our operating profit 10 times, our exports more than 6 times, our equity more than 8 times, and our assets 7.5 times. Such a performance is quite rare. We would like to thank everyone that put their effort behind this success and our investors who have been confident with us. As a publicly traded company, we are aware of our responsibility towards our shareholders and investors. Thus we focus not only on growth but also on growth in a profitable way. We're striving to offer the best balance sheet to our investors and shareholders every year. We're now collecting the fruit of our work, which we carried out in line with our strategic goals of growing at the international level, becoming a regional brand in the vehicle-mounted-equipment sector, and becoming a market leader particularly in the African and Middle Eastern market for fire brigade equipment and garbage trucks. With the Facility Safety Certificate we obtained form the Ministry of Defense in March 2013, we've had the opportunity to participate in the tenders for the defense industry and this served as a new and major source of motivation for us. Our goal is to become a more profitable and efficient company for our investors while at the same time creating value for our country by continuing our profitable and sustainable growth trend.

DEMAND WILL INCREASE SIGNIFICANTLY BOTH IN THE DOMESTIC AND REGIONAL MARKETS

THE RAPID GROWTH TREND OBSERVED IN TURKEY SINCE 2003, INFRASTRUCTURE INVESTMENTS AIMED AT REMOVING ECONOMIC DEVELOPMENT INEQUALITIES BETWEEN REGIONS, INCREASED URBANIZATION AND DIVERSIFICATION AND PROLIFERATION OF UTILITY SERVICES ARE ALL FACTORS THAT INCREASE THE DEMAND FOR VEHICLE-MOUNTED-EQUIPMENT. THIS GROWTH TREND IS EXPECTED TO CONTINUE FOR MANY YEARS AHEAD.

Vehicle-mounted-equipment sector is still an evolving sector in Turkey. Among the customers in the sector are numerous public enterprises and domestic and international private sector companies operating in the construction and logistics sectors.

There is a strong positive correlation between the level of development of the countries and their level of spending for public services. Proliferation of public services and increased availability of resources creates a big potential for our sector. Public spending is expected to grow faster than annual growth rate of the economy in developing countries. In Turkey, the ratio of public spending to GDP is almost half of European average. Thus, the expectation that public spending will increase rapidly also creates a big growth potential for the sector as a whole. Adding to these indicators, the 77 million population of Turkey, one would expect this demand to continue to increase for many years ahead.

AN INCREASE IN DEMAND GREATER THAN GROWTH RATE

The fast growth trend experienced since 2003, infrastructure investments aimed at removing economic development inequalities between regions, increased urbanization and diversification and proliferation of utility services are all factors that increase the demand for vehicle-mounted-equipment. In Turkey, demand for various vehicle-mounted-equipment types is still much below the saturation level.

Especially the demand from utility services by local administrations continues to increase. Similarly there is an increasing demand form the public institutions as well. On the other hand, there is a growing demand for niche products in line with the changing demands of the urban population. On the other hand, in many cities in Anatolia, a large scale urbanization phase is spreading around very fast. Each infrastructure development also means new markets for the vehicle-mounted-equipment sector. With increasing investments for state-funded big residential projects, an increasing demand is observed for vehicles used in public services such as garbage trucks, fire trucks, tankers, sewage trucks, rescue trucks and similar vehicles. And as part of the restructuring proces-., growing needs of the construction sector serves kind of a doping for the sector as a whole.

HUGE POTENTIAL IN REGIONAL MARKETS

Aside from all these developments, Turkey's geo-strategic location as well as the shifting global economic balance, are the factors that would act as a driving force behind the Turkish vehicle-mounted-equipment sector. In a market with huge demand potential from various markets including the Balkans, Central Asia, Eastern Europe and North Africa; Turkey is one of the most important strategic production hubs...

Considering the fact that majority of the countries in the region are rich in energy sources and are planning to allocate a significant amount of resources for large scale infrastructure investments, one can appreciate the big regional export potential of the Turkish vehicle-mounted-equipment sector easily.

Another important point is that a long phase of restructuring is expected to start in the mid-term following the conflicts in North Africa and Middle East as part of the Arab Spring process...

The countries with the greatest demand for restructuring investments are expected to be Libya, Tunisia, Egypt, Syria and Iraq. As a result, it is possible to say that these countries, which are already major export markets, will turn into greater markets in the coming years.

Central Asia and Balkans are the two other major markets and in both of these markets, Turkish companies have big investment and export experience. Also, the fact that most of the infrastructure projects in Central Asia are carried out by Turkish contractors is another factor that facilitates the access of Turkish vehicle-mounted-equipment manufacturers to these markets and helps these companies to increase their market shares more easily.

FLEXIBLE PRODUCTION AND STRONG MARKETING STRATEGY

At this point, compared to the countries in the region, Turkey has a great competitive advantage in terms of possessing industrial expertise and qualified human resources. As a result, there's almost no reason for the Turkish vehicle-mounted-equipment sector to multiply its level of production and exports.

Thanks to the flexible production model employed, the companies in this sector are highly capable of developing unique designs and technologies to meet the varying needs of the customers in the sector. Also, broad product range and capability to develop custom solutions rapidly are among the main factors that result in competitive advantage for these companies...

All this information demonstrates a bright future for the sector as a whole. It looks like that the rapid increase in exports in the short term will be followed by brandization in the region in the middle term.

CONSIDERING THE FACT THAT MAJORITY OF THE COUNTRIES IN THE REGION HAVE RICH ENERGY RESOURCES AND ARE PLANNING TO ALLOCATE A SIGNFICANT AMOUNT OF RESOURCES FOR LARGE SCALE INFRASTRUCTURE INVESTMENTS, ONE CAN APPRECIATE THE BIG REGIONAL EXPORT POTENTIAL OF THE TURKISH VEHICLE-MOUNTED-EQUIPMENT SECTOR EASILY.

SUPERIOR PERFORMANCE IN EVERY FINANCIAL VARIABLE IN 2012

CONSOLIDATED REVENUE
153.1 million TL ✔

NET PROFIT
9.3 million TL ✔

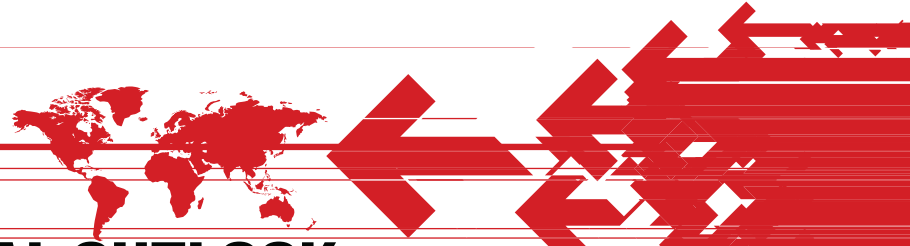
EXPORTS
137.7 million TL ✔

EQUITY
40.3 million TL ✔

TOTAL ASSETS
153 million TL ✔

5-YEAR FINANCIAL PERFORMANCE SUMMARY OF KATMERCİLER

(Million TL)	2007	2008	2009	2010	2011	2012	Change (2012-2007)
Revenue	26,20	36,02	66,50	61,70	85,70	153,11	% 484
Operating Profit	1,23	3,91	7,14	10,41	8,06	13,63	% 1008
Net Profit	0,90	1,60	4,90	7,90	2,40	9,30	% 933
Exports (Million USD)	10,05	10,76	19,52	16,90	32,05	73,59	% 632
Equity	4,34	5,96	11,19	26,47	29,89	40,32	% 829
Total Assets	17,96	32,12	42,04	59,55	118,11	152,96	% 752



GLOBAL OUTLOOK AND TURKEY

GLOBAL ECONOMY PASSED A CHALLENGING TEST IN 2012. NEITHER THE PESSIMISTIC SCENARIOS HAVE BECOME REAL NOR A COMPLETE RECOVERY HAS BEEN ACHIEVED. WHILE THE MEASURES FOR COOLING DOWN THE DOMESTIC MARKET BROUGHT ABOUT A CERTAIN DEGREE OF CONTRACTION, TURKISH EXPORTERS HAVE MANAGED TO UNDERSIGN NEW RECORDS DESPITE THE GLOBAL CRISIS.

2012 has been a tough year for the whole world. Especially the developments in the European countries showed that it will be some time before the crisis is completely over. Year 2013 seems like it is going to be a tough year especially for the European countries on the Mediterranean coast... This holds true especially for Greece, Spain, Portugal and Italy and to a certain extent for France. In case the measures already taken are not sufficient, governments may have to take new economic measures.

Developed economies having hard time to overcome the negative impact of the global crisis have failed to revitalize the real sector as expected despite monetary expansion, but the developing economies are the driving force behind the smooth recovery of the global economy from this global crisis.

SLOW GROWTH EXPECTATIONS

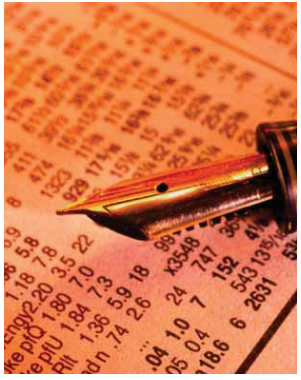
The impact of the 2008 crisis that started from US and influenced the whole world continued in 2012 as well and the real recovery has been much below the expected. After the debt crisis in Greece, Portugal and surrounding countries affected Spain and even Italy, European countries started to implement tight economic policies one after the other. Increasing debt, shrinking economies, record high unemployment levels caused pessimism to spread around Europe as a whole. Additionally, despite the recovery in the global stock exchanges as a result of the monetary expansion policy implemented by US Federal Reserve, this monetary expansion failed to reach real economy via the loan mechanism at the desired level. During this process, China, the driving force of the global economy, made significant contributions to global economic stability together with other developing countries including Turkey as well. While a smooth recovery is expected in the global economy with the contribution of developing countries, international organizations such as the IMF and OECD expect slower growth rates in developed countries.

DEVELOPED ECONOMIES DON'T GIVE ANY HOPE

General consensus is that, except for USA, Germany and Japan, developed countries are not expected to have a positive impact on the global economy in 2013. And this shows that in 2013 as well, the locomotive of global economic growth will be some of the developing countries. However these countries are not all of the countries that led economic recovery in the past years. For example, Brazil and India are not expected to demonstrate the same performance. While China has entered the recovery phase, new measures to boost domestic consumption have been taken. And this may be an indicator that the imports of the giant Chinese economy will increase. And of course all eyes will be on the growth index and PMI index data from China throughout the year. And in Russia, steps are being taken towards a structural transformation. In this regard, diversification of the Russian economy which is mostly based on natural resources, seems to stand out as the main economic mission. And this translates into new infrastructure investments. This is the current situation in BRIC countries... But it looks like, among the developing economies, these four countries will again be the leaders and their role in the global economy will increase but there will certainly be a decrease in their growth performances... On the other hand, new players such as Indonesia and Vietnam are expected to display much better performances.

GROWTH WAS SLOWER THAN EXPECTED BUT CURRENT BALANCE IMPROVED

Following a growth rate of 8.5% in 2011, Turkish economy achieved a more balanced growth trend. After the Central Bank cooled down the economy with multiple measures taken one after the other in order to help decrease the credit volume that exceeded 20%, this helped decrease the current deficit which is the main source of economic vulnerability ahead of Turkey. While the ratio of current deficit to GDP was 10.5% in 2011, this ratio reached only 6% in 2012.
Turkey is expected to grow between 3-4% in 2013. As a result, Turkey is expected to reach and even exceed its export target of 160 billion dollars. In the next year's export composition, Europe's share is expected to be lower. On the other hand, significant increase is expected especially in Africa and a decrease in Eurasia's share in exports will not be surprising.



RECORD LEVEL OF EXPORTS DESPITE ALL THE DRAWBACKS

As a result of exporters' increased focus on the emerging markets instead of the European market, Turkish economy managed to increase its exports by 16% to the level of 152 billion dollars and exports was the main driving force behind this growth. While the Turkish Exporters' Assembly (TİM) set an export target of 160 billion USD for 2013, increasing the export of products with high added value is among the main priorities.
The main driving force behind this success of Turkey is the increased diversity of countries and regions to which products are exported despite the economic crisis observed mainly in European Union countries and the political instability observed following the Arab Spring phase in the Middle East. The new export strategy has been yielding its fruits for the last five years, allowing for Turkish economy to be influenced by the global crisis at the minimum level. As indicted by Minister of Economy Zafer Çağlayan, there are just two countries where Turkish products can't cross the customs and they are Micronesia and Nauru... And both of them are small island states in the Ocean.

POLITICAL TRANSFORMATION IN MIDDLE EAST

The political instability that emerged after the Arab Spring that started two years ago in Tunisia and affected many Arab countries, still continues. And a permanent stability has still not been achieved. Civil war in Syria is expected to end in a very short time. Even if the war ends, there is still a big doubt as to weather or not the country may continue its way without being divided. Political tension is rising in Egypt. New tension especially in Middle East is expected to turn into close combat any moment.
Also, the export performance that Turkey achieved last year despite increased political instability in the region, is also an indicator that Turkish exports have a great potential to increase when political stability is resumed in the future.

THE GOAL WAS ALREADY SET WHEN THE FIRST DAMPER WAS PRODUCED:

BECOMING A REGIONAL BRAND

HAVING STARTED ITS OPERATIONS BY PRODUCING ITS FIRST DAMPER 28 YEARS AGO, KATMERCİLER STILL MOVES FORWARD WITH ASSURED STEPS TOWARDS ITS GOAL OF BECOMING A REGIONAL BRAND. AS PART OF THE TEAM OF A PUBLICLY TRADED, INSTITUIONALIZED COMPANY WITH SUSTAINABLE OPERATIONS, ALL EMPLOYEES ARE FOCUSED ON THIS GOAL.

It was a time when Turkey had just started to open up its economy to the world. On one side, there were the social cramps of transition to a liberal economy, and on the other side our industry was far below its current level of development. Concepts such as institutionalization, accountability, sustainability, investment in R&D, innovation and human resources were barely heard. Exports were very low and only a few Turkish brands were known in the region leave aside being known in the world.

THE FIRST TAMPER ON THE PRODUCTION LINE

In such a conjuncture, Katmerciler's foundation was laid under the title of 'Katmerciler Profil' in 1984... The company started its operations by manufacturing dampers... The first damper left the production line in 1985. Katmerciler went through a rapid phase of development during the first two years and considering the economic conjuncture of the era, the company moved rather quickly from manufacturing dampers to manufacturing fire trucks. This change was the first indicator of the vision of the company for the future: Focusing on niche market segments with high added value via flexible production approach!

GROWH MEANS MORE AND MORE FACILITIES

It was 1993... As a result of the company's vision; Katmerciler could no longer fit in its existing production facilities. It needed a bigger land in order to increase its production capacity. Katmerciler initiated a big investment project at a time when İzmir's economy was in a big recession. A new facility with 3.200 square meters of indoor area on a land of 14.500 square meters was established at İzmir Atatürk Organized Industrial Zone. But even this facility could handle the fast growth trend of Katmerciler only for three years. In 1996, the indoor area of the facility was increased to 6.500 square meters.

JAPAN: THE FIRST EXPORT DESTINATION

During this period, Katmerciler's notion of flexible production started to yield its first fruits. Following the production of garbage truck chassis in 1994, the company

focused more on exports. It didn't take long, it was 1998 and Katmerciler's first export destination was Japan. 2000s brought along a big economic crisis. Marmara Earthquake and the financial crisis of 2001, had put Turkey in serious hardship. It was time to change the marketing strategy and open the company to global markets and focus more on exports. It was the biggest milestone in Katmerciler's history. The company first entered the Iraq and Middle East markets and then made its first exports to Algeria and Egypt. Then in 2004, came the good news that a new product segment will be added to the product line. With the transition to production of vehicle rescue equipment, Katmerciler made another important leap in its sector. Now the company had a new customer; it sold 195 equipment to the Ministry of Defense in 2006.

ANOTHER MILSESTONE: KATMERCİLER GOES PUBLIC

For Katmerciler, going public didn't just mean a tool for financing... It was rather the most important step towards institutionalization, sharing risks and profit with investors, securing sustainable growth and becoming and ethical and accountable company. And going public was realized by undersigning two important novelties... 'Bonus shares' and 'buy back guarantee' were the two novelties written on the pages of İstanbul Stock Exchange. Shortly after going public during the last quarter of 2010, Katmerciler gave hints about the route it will follow at ISE by giving out 100 bonus shares. Since the first day it went public, Katmerciler has been the focus of attention with the emphasis it placed on investor relations as well as with the diligence in its approach to relations with the investors. Investor Relations Department works to ensure that stakeholders of the company are informed about every development regarding the company and the shareholders are provided with detailed briefings about the financial performance of the company.

TARGET ORIENTED INTERNATIONAL PARTNERSHIP

There was one more step left to take towards the final goal of turning into a global brand. The idea of entering into a partnership came up with the purpose of reinforcing the production of fire fighting equipment, the product segment viewed as a strategic one by the management, which would provide significant advantage in terms of becoming a regional brand, transferring know-how in this product segment and expanding the product range in this segment.
As a result of the partnership entered into with France based Gimaex International, a leading global company in this segment, GimKat was established. Setup with a 6 million dollar investment, the company carries out production activities at a facility constructed on a total area of 17.052 kilometer squares, 10 thousand square kilometers of which comprises indoor production facilities.

EXPORTS TO 41 COUNTRIES

With over 30 product lines and over one thousand designs, Katmerciler has a very broad product range and with its aggressive marketing strategy and realistic growth vision, the company is moving with assured steps towards its goal of turning into a regional brand. As of 2012, the company exports its products to 41 countries and while expanding its market selection; the company also increased its export revenues significantly with the export of value added products.

RUNNING TOWARDS RECORD HIGH EXPORT PERFORMANCE

TOTAL EXPORT REVENUE OF KATMERCİLER WHICH WAS 10 MILLION DOLLARS IN 2007, EXCEEDED 70 MILLION DOLLARS IN 2012. THE SHARE OF EXPORT REVENUE IN THE TOTAL REVENUE OF THE COMPANY WHICH WAS 42% IN 2010, INCREASED TO 86% IN 2012.

With its export performance, Katmerciler is climbing up very fast in all related rankings every year. Company's total exports reached 10 million USD in 2007 and it increased its total export revenue seven times and reached 70 million dollars.
As the leading company of the vehicle-mounted-equipment sector Katmerciler was ranked 662nd in the list of 'Top 1000 Exporters' of Turkish Exporters' Assembly (TIM) with its 27 million dollars of exports in 2011. Katmerciler is the export leader of its sector far ahead of its competitors and ranked 701st in 2009.

MORE THAN 80% OF THE TOTAL REVENUE

The company increased its consolidated revenue by 38% in 2011 with total revenue increasing from 62 million Liras to 85.7 million Liras. On the other hand, company's export revenue increased from 16.9 million dollars to 27.2 million. The ratio of export revenue to total revenue, which was 42% in 2010, increased to 65% in 2011. With the total exports revenue over 70 million dollars made in 2012, this ratio increased to over 80%.
Katmerciler's total revenue reached 158 million TL in 2012 and financial data of the company as of June 2012 is as follows: Katmerciler increased its consolidated revenue to 58 million 865 thousand Liras as of 30 June 2012 which corresponds to a total increase of 88% compared to same period last year. Company's consolidated revenue during the same period last year

REACHING 41 COUNTRIES IN THE WORLD

The vast export network of Katmerciler covers a wide geography comprising 41 countries.

Afghanistan, Germany, Angola, Austria, Azerbaijan, United Arab Emirates, Algeria, Morocco, Palestine, France, Ghana, Georgia, Croatia, India, Iraq, Iran, Sweden, Japan, Qatar, Kazakhstan, South Korea, Kuwait, Liberia, Libya , Lebanon, Macedonia, Egypt, Nigeria, Portugal, Romania, Russian Federation, Senegal, Serbia-Montenegro, Syria, Saudi Arabia, Thailand, Taiwan, Turkmenistan, Jordan, Yemen, Greece.

Afghanistan, Germany, Angola, Austria, Azerbaijan, BAE/Dubai, Bulgaria, Algeria, Morocco, Palestinian, France, Ghana, Georgia, Croatia, India, Iraq, Iran, Sweden, Japan, Qatar, Kazakhstan, Kosovo, Northern Cyprus, Kuwait, Libya, Lebanon, Macedonia, Egypt, Nigeria, Portugal, Romania, Russia, Senegal, Syria, Saudi Arabia, Taiwan, Turkmenistan, Ukrainian, Jordan, Yemen, Greece

Most vehicles manufactured by Katmerciler are being exported to different markets in the world with Middle East and Eurasia markets being the main ones. These vehicle improve the quality of life of people in many areas ranging from environmental cleaning to transportation and from infrastructure construction to firefighting.

Changing life in 41 countries...

was 31 million 336 thousand Liras. Company's export performance was the main driving force behind this increase in revenue. Katmerciler's total exports during the first six month period last year was 11 million 128 thousand Liras while this increased by 136% during the first six months of this year and reached 26 million 326 thousand Liras. Share of exports in total revenue which was 56% during the same period last year increased to 85% during the same period of this year.

Looking at the external audit data from 2007-2012 period of Katmerciler which is a publicly traded company, it is seen that the average annual increase in exports was over 50% which is considered to be a significant achievement. With the broadest product line in its sector with 30 different vehicle-mounted-equipment with fire fighting and garbage collection equipment being the main ones, Katmerciler has demonstrated the success of exporting its products to 41 countries. Company started its exports with Japan in 1998 and entered the Middle East market via Iraq in 2001 and the African market via Algeria and Egypt in 2002. Company's export volume increased steadily and consistently after 2002. In time, company became a leading exporter to a large geographical area stretching from Asia to Europe and from Africa to the Middle East. Recently, the company added Russia to its exports portfolio and became a company exporting its product to 41 countries.

TOTAL EXPORTS INCREASED FOUR TIMES WITHIN FOUR YEARS

This fast and consistent growth trend in exports is also an indicator that the company is moving with assured steps towards its goal of becoming a regional brand... Katmerciler sets its marketing strategy within its Marketing Department and implements a very aggressive marketing strategy in a very large geography and supports its strategy with after sales services focused on customer satisfaction. Another important aspect of the company's export strategy is that company's organizational structure allows for appointing dealerships abroad in addition to entering into cooperation with local companies at the international level. Latest examples of these dealerships are the ones given in Russian Federation and Azerbaijan...

QUALITIES THAT ENABLE KATMERCİLER TO BECOME AN INTERNATIONAL BRAND

- A company with 27 years of profound experience and knowledge in the sector.
- Broadest product range with over 30 different types of vehicles.
- Strong background of Project and R&D departments.
- The capability to design and produce vehicle-mounted-equipment in a rapid fashion for a variety of different types and brands of vehicles thanks to the company's over thousand design alternatives.
- Turn-key product delivery capability with all production processes under one roof.
- After sales warranty.
- Spare part support for at least 10 years.
- High quality and fast after sales services...
- Quality standards documented by national and international certificates and a business philosophy that never sacrifices quality.
- A company vision that emphasizes cooperation at the international level, continuous product development and the urge to enter new markets.
- Being the export leader of its sector ahead of its competition.
- The only representative of the sector at the stock exchange.
- The only company in the sector to have entered into such a large-scale partnership in the sector by establishing GimKat with France based Gimaex.
- The one and only company in the sector that received an international award with its annual report.

OVER A THOUSAND DESIGNS AND R&D POWER ALONG WITH

FLEXIBLE PRODUCTION CAPABILITY

The main competitive factor in the areas of product segmentation and special product development is Research and Development (R&D). In a company operating in the vehicle-mounted-equipment sector, R&D is maybe the most important department with regards to creating competitive advantage, expanding customer portfolio and increasing export volume...

Since it was established, Katmerciler's operations have been guided with the notion of strong emphasis on R&D. As a result of this approach, Katmerciler has been walking with assured steps towards its goals of becoming the leader of its sector and turning into a regional brand by adding new markets to its export portfolio. Katmerciler has a very powerful Project and R&D Department and the company never finds it difficult to come up with a totally new product by implementing the necessary design and technology factors.

In the vehicle-mounted-equipment sector, each new order might mean a totally new design. With its 27 years of experience, Katmerciler's Project and R&D department has over a thousand original designs. All these designs translate into gaining experience in the production of a wide range of equipment to fit a wide range of vehicle types.

In short, with its 'tailor-made' approach to production, Katmerciler easily differentiates itself from the other companies in its sector. With this approach, Katmerciler has the capability to develop custom solutions for special orders coming from different sectors for different purposes. The company is capable of designing and producing all kinds of vehicle-mounted-equipment to the desired specifications to meet quality, aesthetic and functional requests of each customer.

Thanks to its broad design portfolio, the company has the technical capability to produce vehicle-mounted-equipment for a wide variety of vehicle brands and types, placing it at the forefront in its sector as a company that is flexible in production and quick in responding to customer demands.

While following the developments in the vehicle-mounted-equipment sector closely, the R&D department also utilizes its know-how capacity to meet novel customer needs. Continuing its operations with a team of qualified and experienced personnel and a technological infrastructure equipped with cutting edge hardware and software, the R&D Department is developing equipment that create a difference while at the same time working on the applicability of existing equipment to different industrial areas. Having made enormous investments in R&D, Katmerciler also makes use of the incentives and support provided by public institutions. The fire brigade equipment with a 28 meter hydraulic staircase, developed with the R&D support obtained from TÜBİTAK, is the most impressive example of the company's R&D potential...

One of the major qualities of Katmerciler that differentiates the company from its competition is its broad product portfolio with necessary quality certifications which is the result of over 25 years of experience... As a company, guided in its operations, by the notions of customer satisfaction and focus as well as carrying out business without sacrificing quality, Katmerciler makes a difference in the after-sales service sector as well. The company provides after sales service warranty at every spot in Turkey and abroad where its products are available. Plus, the company offers 10 years of spare parts warranty for its every product on the market.

ENTERING TENDERS OF THE DEFENSE INDUSTRY MADE EASIER NOW

KATMERCİLER HAS BEEN GIVEN THE 'FACILITY SAFETY CERTIFICATE' REQUIRED FOR STARTING MANUFACTURING OPERATIONS FOR THE DEFENSE INDUSTRY AND ENTERING THE TENDERS OF THE DEFENSE INDUSTRY.

Katmerciler took a major step towards expanding its manufacturing facilities targeting the defense industry which has strategic significance with regard to vehicle-mounted-equipment sector. The company has recently been given the 'Facility Safety Certificate' which is mandatory for companies manufacturing vehicles for the defense industry. The application of the company has been accepted by the Ministry of Defense. Having received this certificate which is a major step towards expanding the product line with high-value added products and starting manufacturing vehicles for the defense industry, Katmerciler will be undersigning important investments in this niche market which it already entered via its Riot Control Vehicles. Katmerciler is now entitled to join all tenders of the defense industry. With this certificate which symbolizes a milestone for Katmerciler, the company will be able to enter all types of tenders related to the defense industry, including the ones for NATO.

BELGE NU.: 2013/08

T.C.
MİLLİ SAVUNMA BAKANLIĞI
ANKARA

TESİS GÜVENLİK BELGESİ

TÜRKİYE CUMHURİYETİ SAVUNMA SANAYİ MİLLİ GÜVENLİK MAKAMI tarafından, 18022 Sokak No:10 A.O.S.B. ÇİĞLİ/İZMİR adresinde yerleşik,

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET ANONİM ŞİRKETİ'NE

Savunma sanayi ile ilgili faaliyetleri yürütmesine izin verilmiş olup, 5202 sayılı Kanun ve ilgili mevzuat ve NATO Güvenlik Talimatı esaslarına göre tesis güvenliği denetimi yapılmıştır. "MİLLİ GİZLİ" gizlilik derecesinde olan ve ülke, gizlilik derecesi bilgi, belge, proje, malzeme ve hizmetlerin korunması yönelik olarak alınan tedbirlerin ve mevcut uygulamaların yeterli olduğu, Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret Anonim Şirketi bünyesinde hazırlanan Tesis Güvenlik El Kitabında yer alan prosedür esasları olduğundan uygulandığı ve

"MİLLİ GİZLİ" gizlilik dereceli bu belgenin

12 / 03 / 2018 Tarihine kadar geçerli olduğu

TASDİK OLUNUR.

MİLLİ SAVUNMA BAKANI NAMINA

Mustafa KUÇ
Hava Pilot Tuğgeneral
Müsteşar Yardımcısı

VEHICLES THAT ARE PART OF OUR DAILY LIVES

AS THE INDISPENSIBLE TOY OF LOCAL ADMINISTRATIVE AUTOHRITIES, GARBAGE TRUCKS, FIRE BRIGADE VEHICLES DESIGNED TO MINIMIZE LOSSES DURING A FIRE DISASTER, TANKERS THAT CARRY WATER AND FUEL TO HOUSEHOLDS AND DAMPERS-THE MUSTHAVES OF THE TRANSPORTATION SECTOR... AND MANY OTHER VEHICLE-MOUNTED-EQUIPMENT DESIGNED FOR DIFFERENT SPECIAL USES ARE PART OF KATMERCİLER'S BROAD PRODUCT RANGE.

Sometimes you hear their sirens and pull over in traffic and sometimes they drive through our streets late at night and we don't notice anything at all... And some of them work hard at the construction site of a dam or a power plant... Its contributions come back as water and electricity to our lives... Fire brigade vehicles, sewage trucks, winches and many other service and heavy duty vehicles... Most of these products are indispensible vehicles that facilitate our lives and are at the center of our lives so much that their absence interrupts with the flow of daily life. Katmerciler's product range comprises these vehicles and equipment. The broad product range of Katmerciler that comprises over 30 different products includes fire brigade vehicles, channel opening trucks, rescue vehicles, water and fuel tankers, tanker trailers, trash enclosures with hydraulic compression, sewage trucks, semi-trailers for trash collection, hydraulic trash enclosures, road sweeping vehicles, mobile maintenance vehicles, modular platforms, dampers, damper trailers, cement trailers, winch enclosures, winches, low-bed trailers, sliding platforms, cabling vehicles, cable laying vehicles and hydro lifts.

With its production capability based on advanced technologies, Katmerciler also produces RCVs (Riot Control Vehicles). These vehicles constitute a major step in the production of equipment for the security and defense industries, selected as strategic sectors for Katmerciler. Production goals of Katmerciler also include developing vehicles for the defense industry as well. Additionally, development of products with higher added value such as airport fire fighting vehicles, snow ploughs, scatter machines, armoring equipment and LPG tankers is among the strategic goals of the company in the near term.

FIRE FIGHTING EQUIPMENT AND VEHICLES

Katmerciler is a leader in the production of fire fighting equipment which is a strategic field in company's product portfolio and this leadership has recently been reinforced with the strategic partnership with Gimaex, a company with profound experience and know-how especially in this niche market. With the R&D projects carried out within GimKat company, Katmerciler is establishing itself firmly in this sector. With the first order received right after it was founded, GimKat, the fruit of this strategic partnership, gave some good news about a brilliant future. The company received tow large scale orders to be exported to France and is currently producing the equipment as part of the order while at the same time designing and producing the new equipment. Production plans of the company comprises the production of fire brigade vehicles with 52 meters and over stairs which constitute the most significant portion of the order. As part of GimKat's strategy of specialization, Katmerciler will reach in a very short amount of time, its goal of becoming a regional player in the market segment of fire fighting vehicles and equipment. The company is also planning to become a global brand in the middle term.

TYPES OF FIRE-FIGHTING VEHICLES

- WITH HYDRAULIC STAIR
- SNORKEL
- NARROW SPACE
- WITH SPECIAL EQUIPMENT
- PRIMER VEHICLE

FIRE FIGHTING VEHICLE WITH HYDRAULIC STAIRS

These vehicles with aluminum sheet plated coachwork and blinds as well as a water tank with a capacity of 2500 liters to 6000 liters, have a stair operating length of 12 to 28 meters. Initial response range of these vehicles is between 30 to 60 meters... It's pump has 10 bar pressure in low pressure mode and 40 bar pressure in high pressure mode and its flow rate changes between 2000 liters/min to 6000 liters/min...Stair basket can carry two persons at a time (200 kg) and has a monitored automatic balancing system...

SCHNORKEL TYPE FIRE FIGHTING VEHICLE

This vehicle with stainless steel water tank with a capacity of 1000 to 2000 liters, has an aluminum plated coachwork with blinds... Its foam tank has a capacity of 200 to 400 liters... Boom operating height is between 32 to 55 meters... The vehicle has a 180 degree foldable fly boom, aluminum stair atached to the booms and an aluminum telescopic water line and the foam monitor of the vehicle has electronic control matching the pump capacity... Pumps are stainless type and have normal pressure of 10-17 bars and flow rate of 2000 liters/min - 4000 liters./min... The aluminum basket with a capacity of 4-5 persons (400 kg.) has automatic balancing, closed circuit communication system, basket-bottom protection, impact protection, over-load protection, and excessive wind protecting features. These vehicles also feature proportional a control system, pump sensitive to loads with variable flow rates and a hydraulic system with gasoline/diesel, electricity powered or manual auxiliary power units.

FIRE FIGHTING VEHICLE WITH SPECIAL EQUIPMENT

These vehicles with a water tank with a capacity of 3500 to 12000 liters, have a foam tank capacity of 250 to 1500 liters... Coachwork features of the vehicle are the same as the other vehicles and the vehicle also features an optional telescopic, remote controlled water/foam monitor. The monitor can be controlled from the driver's seat.

FIRE FIGHTING VEHICLE WITH PORTABLE STAIRS

The vehicle has aluminum coachwork. Sheet metal water tanks with capacities between 1000 to 10000 liters and dimensions of 4x2 / 6x2 / 6x4 can be mounted on the vehicle. Foam tanks have a capacity of 250 to 500 liters...Additional accessories in these vehicles include rescue sets (pickaxes, oars, axes etc.), a power generator, nozzles, foam gun, helmets, suction hose, textile-reinforced rubber water hose, and a GRP (optional).

NARROW SPACE FIRE FIGTING VEHICLE

This vehicle has an aluminum covered water tank with a capacity of 1000 to 3000 liters and a foam tank with a capacity of 200 to 300 liters. The vehicle also features a OS-C1-100 Powebox unit with a 'one seven' foam system. Pump features of the vehicle are as follows: low pressure: 10 bars; high pressure: 40 bars... Flow rate: 2000 liters/min-3000 liters/min... Low pressure flow rate: 250 liters/min, 400 liters/min...

GARBAGE VEHICLESAND EQUIPMENT

Garbage vehicles which are in the environmental vehicles category of the product line of Katmerciler, are among the essentials of our daily life. As the top preferred vehicle of most municipalities, these vehicles play an important role in community health and the notion of environmentally friendly urbanization...With advanced safety systems, high performance features, impermeability features and optimum capacities, these vehicles is the symbol of the notion of quality adopted by Katmerciler...

GARBAGE TRUCKS

- GARBAGE TRUCKS WITH HYDRAULIC COMPRESSION
- SEMI-TRAILERS FOR GARBAGE COLLECTION
- MINIPAK GARBAGE TRUCKS
- HYDROLIFT

GARBAGE TRUCKS WITH HYDRAULIC COMPRESSION

Garbage trucks that comply with official international standards provide urban cleaning at the optimum level. With prominent safety features, these vehicles attract attention with their compression ratios ranging between 1/3 and 1/6. These vehicles also feature; trash container lifting system, safety buffer for the rear lid, rear projector for collecting trash at night, rotating blinkers, non-slip staff platform and handle, safety bars on the side of the platform, aesthetic cover made of metal sheet for the side walls of rear lid, easy-to-clean waste water tank placed under the front part of the vehicle, automatic/manual control options, emergency stop button in case of danger and rear camera. These vehicles have a body volume of 4 to 25 cubic meters and can be delivered very quickly thanks to our high production capacity.

MINIPAK GARBAGE TRUCKS

Designed for collection of small sized garbage, these vehicles have total body volume of 3 cubic meters to 6 cubic meters. Optionally, discharge can be damper-powered or compression-type. Additional container system is optional.

SEMI-TRAILERS FOR GARBAGE COLLECTION

These vehicles are used for transporting the garbage collected by garbage trucks from the storage stations to the final disposal site, and have a total body volume of 40 to 70 cubic meters. The vehicle features a press-discharge damper for pressing the garbage loaded through the front upper lid. The damper can move horizontally across the chassis. The vehicle also features a lockable hydraulic cylinder.

HYDROLIFT

Produced in standard version or with custom specifications based on customer requests, these vehicles are used for carrying specific type containers of customers. The vehicle utilize double armed winches to lift the containers to the desired height and to discharge the container content. The vehicle's technical hardware comprises the following; lifting arm, landing legs, overturn hook, hydraulic system, pneumatic system and hydraulic safety equipment. The vehicle has a container lifting capacity of 6 to 10 tons.

ENVIRONMENTAL VEHICLES

This product segment features vehicles designed to provide solutions to environmental waste issues and to maintain hygienic conditions especially in an urban setting. The segment comprises vehicle-mounted equipment for quick and effective response to infrastructure problems.

ENVIRONMENTAL VEHICLES

- COMBINED CHANNEL OPENING VEHICLES
- SEWAGE TRUCKS AND SEWAGE TRAILERS
- ROAD SWEEPING VEHICLES
- HOOK LIFT

COMBINED CHANNEL OPENING VEHICLES

Designed for vacuum absorption of cesspit mud in the channels and for opening the channels using high-pressure water, these vehicles are produced in house by Katmerciler except for the pump system. The product line comprises three types of channel opening vehicles, namely 'skittle type', 'medium type' and 'large type'.

ROAD SWEEPING VEHICLES

Used for regional cleaning of rapidly developing cities, these vehicles are being manufactured by Katmerciler since 2010. Road Sweeping vehicles feature a water tank with a capacity of 500 liters to 2000 liters.

SEWAGE TRUCKS AND SEWAGE TRAILERS

Designed for collection of cesspit and muddy liquids via absorption, and transportation of this waste designated disposal areas, these vehicles comprise a vehicle mounted bottom chassis, a cylindrical tank, a rear lid behind the tank and vacuuming system cranked by the PTO system.

HOOK LIFT

With container locking system that provides enhanced safety during transportation, robust side barriers, and the piston based load lifting system used in case of hose blowouts, the hook lift allows for convenient an safe transportation of containers.

TRANSPORTATION VEHICLES

Katmerciler provides vehicle-mounted-equipment solutions designed for transportation of various products ranging from water, fuel oil and hazardous materials to construction materials in addition to custom-designed transportation vehicles to meet the needs of both the private sector and the public institutions.

TRANSPORTATION VEHICLES

- WATER AND FUEL OIL TANKERS
- CARGO TREYLER
- LOW BED TREYLER
- DAMPER

DAMPER

Dampers were the first vehicles that came out of Katmerciler's production line...The company manufactures dampers of different capacities and sizes for use with sand, pebbles and rocks as well as damper trailers. Dampers are manufactured using 'standard type' or 'pool type' regular steel (ST-37, ST-52) or special alloy sheet material. With custom orders, transportation capacity can be increased by producing light casings using special alloy sheet metal.

CARGO TREYLER

These vehicles are manufactured as two-axe or three-axe types. Chassis base is produced from ST-52 sheet metal. Upon request, the base can be produced from wood as well. For the lids of the vehicles, sheet metal or aluminum is used. Chassis and the axes comply with the requirements of the specification in the current state highways bylaw and the TSE standards.

LOW BED TREYLER

Designed for safe transportation of special freight that pose risks due to their size and dimensions, these vehicles can be manufactured as 'flat' or 'pool type' depending on customer's request.

WATER AND FUEL OIL TANKERS

Designed for transportation of water and fuel oil and transmission of water and fuel oil via pumps, these vehicles are also for irrigation of streets when required. The tanks of these vehicles have 'D' shaped or cylindrical profile and are made of sheet metal of appropriate thickness or stainless steel. Interior of the tank features breakwater parts of sufficient number. Top part of the tank features a manhole of appropriate diameter. When the tank is full, an air discharge or transmission pipe can be attached conveniently without causing any water or fuel oil loss.

RIOT CONTROL VEHICLE (RCV)

RCVs which are the product of Katmerciler's R&D efforts geared towards the security and defense industry sectors, have a very important place in the company's product portfolio. These vehicles are believed to have a great potential as export items in light of the political developments in the region. In this regard, Katmerciler continues its efforts for further development of its products in this category.

These vehicles are designed for controlling riots by spraying paint, gas and pressured water to the protestors during illegal protests and riots. All parts of these vehicles except for the armor material, monitors, engine and pump which are imported, all parts including the electronic system are produced by Katmerciler.

The RCVs feature front window protection, bulldozer, vehicle-bottom nozzle system, vehicle-top nozzle system, complete gas spraying system, monitor (y gun), bullet-proof cabinet protection, rear camera system, monitoring camera system, siren-PA equipment, camera recording device, run-flat, command system from inside the cabinet, digital screen and monitor control with joystick.

SPECIALITY VEHICLES

Vehicle-mounted-equipment designed specially for numerous unique applications ranging from responding to vehicles that have accidents or break during operation, opening highways and roads covered with snow, to loading and unloading of heavy freight in narrow spaces.

VEHICLE MOUNTED EQUIPMENT FOR THE CONSTRUCTION SECTOR

Designed for safe and convenient transportation of construction materials from the factory to the construction site, this equipment is custom designed to feature specific functions based on customer request.

PLATFORM

Used for construction and repair of communication systems, energy lines and similar systems at high spots, these vehicles are designed to provide the safest and most effective operation with their varying capacities and heights. These platforms are produced in two models namely 'modular' and 'telescopic'.

MOBILE LUBRICATION VEHICLE

Mounted on vans or trucks, these vehicles are designed to feature blind-type closed enclosure and are used for lubrication purposes.

RESCUE VEHICLE

These vehicles, designed as first response vehicles to mainly traffic accidents and incidents with similar vehicle damage, are among the products with high added value among the products in the product portfolio of Katmerciler. These vehicles are manufactured in three different models namely 'heavy duty', 'medium duty' and 'small'.

ENCLOSURE WITH WINCH

These vehicles that comprise an enclosure, driver's cabinet and a hydraulic winch, can load and unload freight to and from their own body using the vehicle-mounted winch. The chassis is produced from high quality sheet metal. With superior maneuvering capabilities, the winch on these vehicles can be folded into the space between the enclosure and the driver's cabinet. Side and rear lids can be opened.

MOBILE REPAIR VEHICLE

Designed to feature an isolated enclosure that is equipped as a repair workshop, mounted on top of trucks and vans, these vehicles are used for providing repair services for other vehicles that break during operation. These vehicles kind of serve as a mobile car-service station.

one seven®

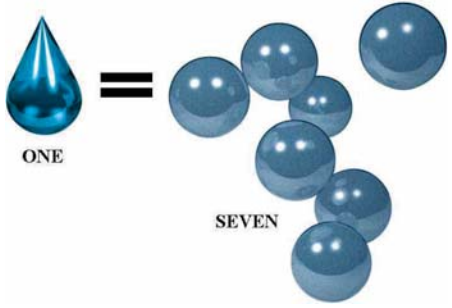
EFFECTIVE RESPONSE TO HIGH-RISE BUILDING FIRES WITH THE ONE-SEVEN TECHNOLOGY

Founded by Katmerciler and Gimaex International, GimKat started its operations in February 2012 and makes significant contributions to social life with its synergy in terms of specialization in fire fighting equipment technologies. As a very effective technology against fire risks in high-rise buildings which are rapidly increasing in number especially in big cities, one-seven technology will help decrease to a great extent, the physical damage and loss and casualties in the fire incidents in our country as well.

A similar risk was experienced in July as a result of a terrific high-rise building fire that happened in Istanbul. It could have resulted in a big disaster even if a minor technical problem occurred. So it was a near miss. The fire that started in a dye factory resulted din big material loss and could hardly be extinguished.

The main reason for collapse of the building in case of a prolonged and intense fire, is the overheating of the building. And this is what happened at the World Trade Center in New York on September 11. So the building should be cooled down constantly in order to prevent collapse. To do this, fire trucks with very long stairs and necessary equipment to pump foam and water to very high altitudes are needed. In case such fire trucks are provided, it is possible for the building to collapse within a few hours. If the building is not evacuated on time it may not be possible to rescue to people on upper floors and this may result in a large number of casualties.

In high-rise building fires, even if the building security system kicks in and even if the construction materials used comply with relevant bylaws, neither of these would be sufficient in case of a big fire. Today in İstanbul, there are around 35 high-rise buildings with a height between 140-265 meters. And around 30 of them are still under construction. We see high-rise building s rising up especially in big cities and in almost every city in Turkey. And there are more and more of them being constructed. So how can one rely only on the security system of the building when another fire starts in another high-rise building? For example if a fire starts in a 250-meter building and the fire safety system fails or doesn't work properly, will it be possible to respond from the outside? Unfortunately the fire departments in Turkey lack the sufficient number of fire trucks with the capability to respond to such fire incidents. It is now a must, more than a necessity, for all fire departments in cities and even districts with high-rise buildings to have fire trucks and equipment capable of responding to high-rise building fires from the outside. With the current vehicle fleet, the fire departments capability of responding to fires in buildings higher than 50 meters is very limited. And it is almost impossible for them to respond to the buildings higher than 200 meters. The technology based on the pressurized foam system presented by Katmerciler at the 8th World Championship in Fire and Rescue Sports, is considered as the most advanced technological solution for responding to fires in high rise buildings. One-seven system is much more effective in all fires that are almost impossible and riskier to be extinguished using water... With the fire trucks equipped with one-seven technology, it is possible to pump foam to altitudes up to 250 meters. This allows for more effective cooling response to high-rise buildings from the outside and decreases risks and allows the fires in high-rise buildings to be brought under control in a shorter time. One-seven technology that employees foam is very effective also for extinguishing chemical and flammable material fires and fires that are hard to be controlled which are observed in the power distribution units and mines. Katmerciler offers fire trucks equipped with this vital technology, which is crucial for large establishments that produce chemicals as well as for the municipalities of cities with high-rise buildings and skyscrapers.



AN EXAMPLARY COMPANY FOR SUSTAINABLE GROWTH AND BRANDIZATION IN İZMIR

Motivated with the mission of becoming a regional brand at the international level, Katmerciler exports its products to 41 countries and moves with assured steps towards becoming an exemplary case in terms of achieving sustainable growth in a niche market. And the fact that this success is happening in İzmir which was once the second largest industrial and commercial city of Turkey, is even more interesting... Even though it has been overshadowed by the automotive sector to a certain degree, the Vehicle-mounted-equipment sector is still a sector that has vital functionality... It is a sub-sector whereby dozens of different vehicle types including fire trucks, garbage trucks, dampers, sewage trucks, rescue vehicles and tankers are manufactured. These vehicle with equipment which are mounted on the vehicles, have becoming an important driving force behind Turkey's exports. Katmerciler has the capability of designing and manufacturing 30 different types of such vehicles and is unrivaled in its field. The company exports its products to 41 countries and has already become one of the industrial stars of İzmir. With this extraordinary performance, the company also contributes to the efforts for minimizing unemployment and current deficit, two main challenges of the national economy. Katmerciler's goal is to increase the scale of its contributions... Our target, in this regard, is to combine our strategy of horizontal and vertical growth in terms of exports with our vision of becoming a regional brand, thus being able to increase our unit profit margin with increased exports of value added products.

Established in İzmir 1985 and operating with ever increasing performance for the last 27 years, Katmerciler sees every achievement it makes as the achievements of Turkey and İzmir. The company shares the pride of every achievement at the international level, with our country and İzmir as well. With the achievements we made as a publicly traded company, it is another source of pride for us to be source of inspiration for many İzmir-based companies in terms of motivating them for going public. Katmerciler will continue to share its experiences and know how with regard to the process of going public, with numerous İzmir-based companies that are preparing to go public in the near future. Katmerciler's success proves that, İzmir as a city that was once known to be the second largest city after Istanbul in terms of industry and commerce, has the potential to gain that title back with infrastructure investments made with a vision as well as the progress to be made by private sector companies.

FOUR AWARDS FROM EBSO GOES TO KATMERCİLER, THE 82TH BIGGEST COMPANY OF THE AEGEAN REGION...

BASED ON YEAR 2011 DATA, KATMERCİLER, THE 82TH BIGGEST COMPANY IN THE AEGEAN REGION ACCORDING TO FINDINGS OF THE REGULAR STUDIES CONDUCTED BY THE CHAMBER OF INDUSTRY OF AEGEAN REGION, RECEIEVED AWARDS FOR THE FIRST PLACE IN THE CATEGORIES OF 'COMPANY WITH HIGHEST CONTRIBUTUION TO EMPLOYMENT', 'COMPANY WITH THE HIGHEST LEVEL OF PRODUCTION' AND 'COMPANY PAYING THE HIGHEST CORPORATE TAX' UNDER THE MAIN INDUSTRIAL AND OCCUPATIONAL CATEOGRY OF 'EBSO PASSENGER AND FREIGHT TRANSPORTATION VEHICLES AND OTHER TRANSPORTATION VEHICLES'. THE COMPANY ALSO RECEIVED THE AWARD FOR SECOND PLACE IN THE CATEGORY OF 'COMPANY WITH HIGHEST LEVEL OF EXPORTS'.

As the only publicly traded company of its sector, Katmerciler added new awards to its series of awards and achievements in 2012 as well.
Based on the survey carried out annually by Aegean Region Chamber of Industry (EBSO) whereby the top industrial establishments of the Aegean Region are determined, Katmerciler ranks 82th based on its total sales revenue of 86 million TL in 2011. In 2010, Katmerciler ranked 85th with its total revenue of 59.237 million TL and previous year the company's ranking was 105. Based on current results, Katemerciler moved up 23 ranks within only two years. Ranking 86th among 100 tax payers that pay the highest corporate tax in İzmir, Katmerciler received 4 more awards from EBSO based on the survey results in 2011. Based on the regional rankings determined by EBSO according to data from the 2011 survey, Katmerciler received four certificates of achievement in the main category of 'EBSO Passenger and Freight Transportation Vehicles and Other Transportation Vehicles'. While the company received the award for number one place in the categories of 'Company with Highest Contribution to Employment', 'Company with the Highest Level of Production' and 'Company Paying the Highest Corporate Tax'. Katmericler also reinforced its ranking of number two in the the category of 'Company with Highest Level of Exports' which it has maintained for many years now. We rank 439th in the list of second largest 500 corporations of İstanbul Chamber of Industry. With its around 350 employees, Katmerciler is the leading exporter of its sector ahead of its competitors and the company ranks 662nd in the list of 'Top 1000 Largest Exporters of Turkey' of the Turkish Exporters' Assembly (TİM).
In the list created by TİM, there's no other company in the field of vehicle-mounted-equipment.
The main factor behind this success is believed to be the average annual increase of 50% in export revenue within the last five years. As part of the sustainable growth trend it achieved, the company achieved an average annual growth rate of over 40% during the last 5 years. Such an achievement is unprecedented in Turkey. This performance and its results which is the outcome of the goal of turning Katmerciler into a regional brand in its sector, is a source of pride for all of our employees, our shareholders, our business partners and stakeholders.
And the awards given to Katmerciler are the solid proof and confirmation of this achievement. On the other hand the awards for first place in the categories of 'Company with Highest Contribution to Employment', 'Company with the Highest Level of Production' and 'Company Paying the Highest Corporate Tax' mean a lot for Katmerciler as well, especially in light of company's goals of contributing to employment and overall development of the country. And of course the award for second place in the category of 'Company with Highest Level of Exports', is worth mentioning as an indicator of Katmerciler's role in contributing to efforts for minimizing the current deficit of the country.


EGE BÖLGESİ SANAYİ ODASI
AEGEAN REGION CHAMBER OF INDUSTRY
BAŞARI BELGESİ
AWARD CERTIFICATE
KATMERCİLER ARAÇ ÜSTÜ EKİPMAN
SAN. VE TİC. A.Ş.
2011 YILI İTİBARİYLE
TAŞIT VE DİĞER ULAŞIM ARAÇLARI SANAYİ MESLEK GRUBUNDA
EN YÜKSEK ÜRETİM GERÇEKLEŞTİREN FİRMA
BİRİNCİLİK ÖDÜLÜ
The AWARD / 2011 – 1st Degree
for
The Sectoral Highest Production
In Vehicles and Other Transportation Industry Profession Group
Mehmet TİRYAKİ
Meclis Başkanı
Chairman of Assembly
Ender YORGANCILAR
Yönetim Kurulu Başkanı
Chairman of the Board of Directors


EGE BÖLGESİ SANAYİ ODASI
AEGEAN REGION CHAMBER OF INDUSTRY
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SAN. VE TİC. A.Ş.
2011 YILI İTİBARİYLE
TAŞIT VE DİĞER ULAŞIM ARAÇLARI SANAYİ MESLEK GRUBUNDA
EN YÜKSEK İHRACATI GERÇEKLEŞTİREN FİRMA
İKİNCİLİK ÖDÜLÜ
The AWARD / 2011 – 2nd Degree
for
The Sectoral Highest Exports Success
In Vehicles and Other Transportation Industry Profession Group
Mehmet TİRYAKİ
Meclis Başkanı
Chairman of Assembly
Ender YORGANCILAR
Yönetim Kurulu Başkanı
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SAN. VE TİC. A.Ş.
2011 YILI İTİBARİYLE
TAŞIT VE DİĞER ULAŞIM ARAÇLARI SANAYİ MESLEK GRUBUNDA
EN YÜKSEK VERGİ ÖDEYEN FİRMA
BİRİNCİLİK ÖDÜLÜ
The AWARD / 2011 – 1st Degree
for
The Sectoral Highest Tax Paying
In Vehicles and Other Transportation Industry Profession Group
Mehmet TİRYAKİ
Meclis Başkanı
Chairman of Assembly
Ender YORGANCILAR
Yönetim Kurulu Başkanı
Chairman of the Board of Directors


EGE BÖLGESİ SANAYİ ODASI
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BAŞARI BELGESİ
AWARD CERTIFICATE
KATMERCİLER ARAÇ ÜSTÜ EKİPMAN
SAN. VE TİC. A.Ş.
2011 YILI İTİBARİYLE
TAŞIT VE DİĞER ULAŞIM ARAÇLARI SANAYİ MESLEK GRUBUNDA
EN FAZLA İSTİHDAM SAĞLAYAN FİRMA
BİRİNCİLİK ÖDÜLÜ
The AWARD / 2011 – 1st Degree
for
The Sectoral Highest Employment
In Vehicles and Other Transportation Industry Profession Group
Mehmet TİRYAKİ
Meclis Başkanı
Chairman of Assembly
Ender YORGANCILAR
Yönetim Kurulu Başkanı
Chairman of the Board of Directors

A CUSTOMER PROFILE COMORISING GLOBAL COMPANIES

Due to the functions they offer, vehicles with special equipment are mostly used in public service. As a result, Katmerciler gets orders from numerous public institutions including mainly the municipalities, Ministries and their affiliates and the defense industry. Private companies in Turkey and abroad operating in the construction, logistics and service sectors as well are among the users of these products. Katmerciler works with the giants of the global automotive market such as Ford, MAN, Mercedes, Hyundai, Isuzu, Iveco, Mitsubishi, Renault, Scania, Volvo, Kamaz, Hino and BMC.

And the company's customer portfolio that comprises both domestic and global companies is expanding constantly. Public spending, as a percentage of GDP, in developing countries is almost half of that in the developed countries... And this is an indicator that Katmerciler and the sector will continue grow every year.

With its flexibility to provide custom solutions and its broad product portfolio, Katmerciler can respond in a fast and quality manner, to the vehicle-mounted-equipment demands for such vehicles received both from Turkey and abroad.

SPONSORING THE 8TH WORLD CHAMPIONSHIP IN

FIRE AND RESCUE SPORTS

Katmerciler sponsored the 8th World Championship in Fire and Rescue Sports held in Antalya between 16-21 October 2012. Organized by Antalya Metropolitan Municipality in cooperation with Mediterranean University and Society of Fire Fighters' Union, the championship was held with the main slogan of 'The strongest heroes of the world are competing'. The first championship was held in St. Petersburg-Russia in 2003 and since then it's been organized every year without interruption and the eighth championship was held in Antalya. The championship whereby fire fighters from 15 countries competed and 10 countries attended as observers, provides a fun competitive environment and a great platform to share experiences while at the same time realizing the mission of carrying fire fighters' solidarity to the international level.

Sponsoring the biggest sports organization of the fire fighting sector at the international level, Katmerciler believes that hosting fire fighters from 24 countries which are the export markets of Katmerciler is quite important and meaningful for the Turkish fire fighting society as well. As the leader and the biggest exporter of the vehicle-mounted-equipment industry, the company views its contribution to this organization as a requirement of its corporate mission and responsibility.

The 15 countries that joined the 8th World Championship in Fire and Rescue Sports organized in Antalya include Germany, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Kazakhstan, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Turkey, Ukraine and Uzbekistan...

And 10 countries join the championship as observers and these are Albania, Bahrain, Bosnia-Herzegovina, Greece, South Korea, Iran, Macedonia, Mongolia, Romania and Serbia.

At this important event whereby vehicles with one-seven technology are exhibited, Katmerciler had a chance to present the new technologies and their advantages in fire fighting to the participants from different countries.

DOCUMENTED NOTION OF WORLD STANDARD QUALITY

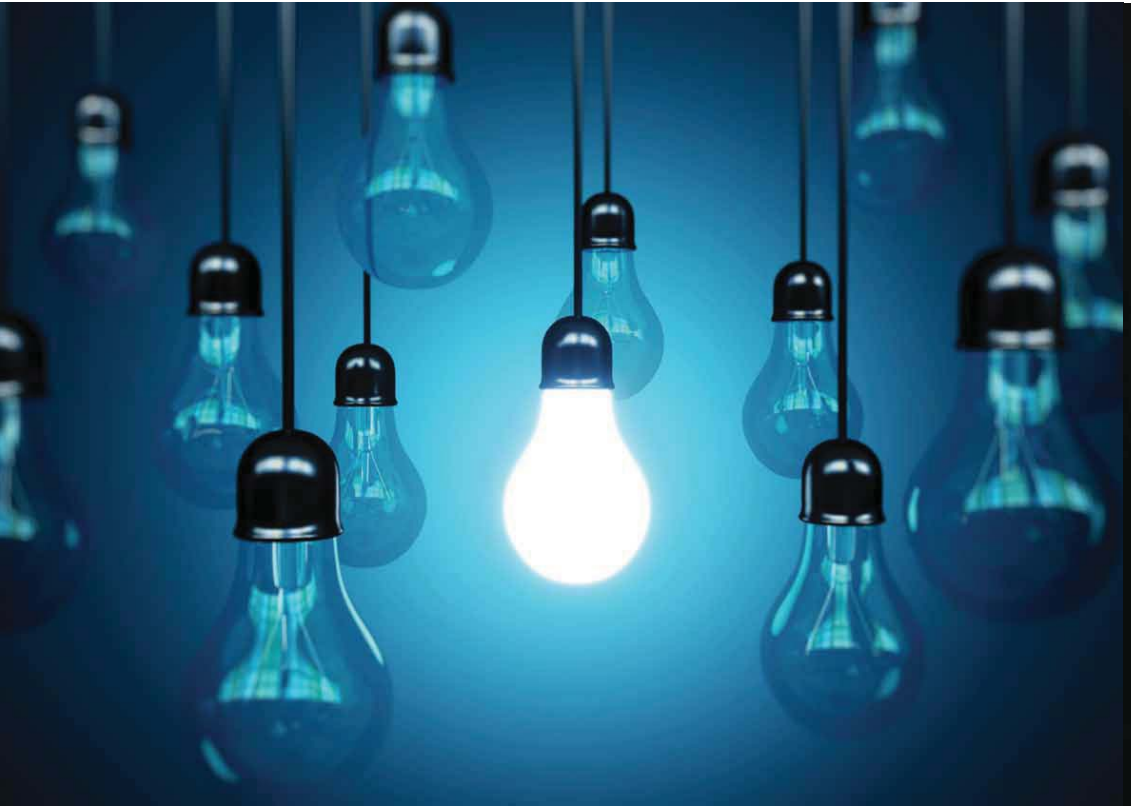
For every company that set 'becoming an international brand' as one of its missions, quality certificates serve as important milestones towards this goal. Moving with this perspective, Katmerciler achieving national and international certificates of quality as a brandization process and the company is has full confidence in the quality it provides in its products and services and sees it as a plus while moving towards its goal of becoming a regional brand.

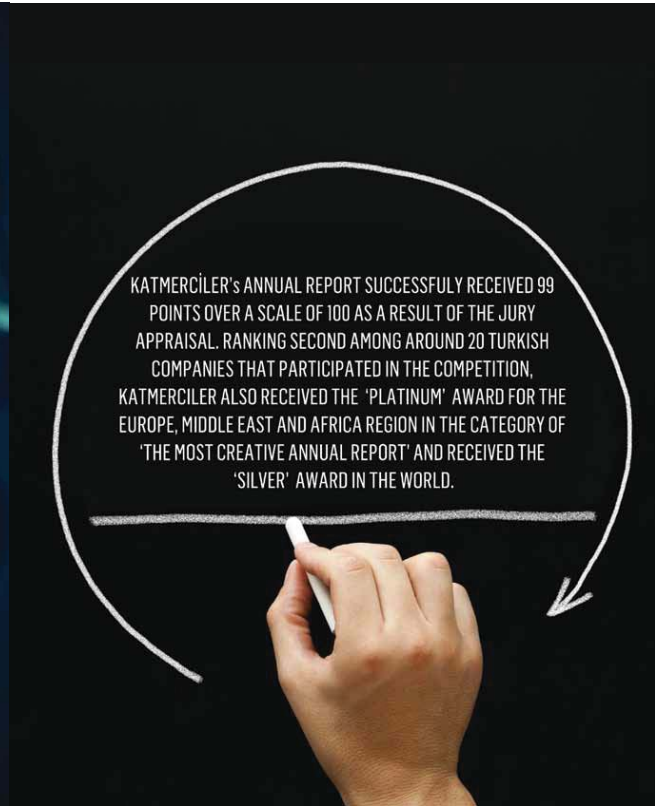
All products are manufactured in light of the vision of exceeding international standards. Quality is always the number one priority for the company. All employees of Katmerciler are guided, in their daily work life, with the mission of 'no compromise from quality'... Moving with the belief that quality should not be limited with the production and sales of the products but should also cover after sales service processes as well, the company provides comprehensive after sales services both in Turkey and abroad with its highly qualified team of after-sales service experts.

THE MOST 'CREATIVE' ANNUAL REPORT OF EMEA REGION

KATMERCİLER'S ANNUAL REPORT RECEIVED NUMEROUS AWARDS FROM THE THE LEAGUE OF AMERICAN COMMUNCATIONS PROFESSIONALS. HAVING RECEIVED THE 'PLATINUM' AWARD FOR THE SECOND TIME AS THE TOP COMPANY OF THE SECTOR IN THE WORLD, KATMERCİLER RANKED 18TH IN THE WORLD AND 10TH IN EUROPE.

Starting with the phase of going public, Katmerciler has been placing great emphasis on investor relations. The company sees investor relations as an indispensible part of its corporate identity...
As part of this process, the company has been implementing and developing a corporate business philosophy that emphasis accountability and transparency for the last two years. The company makes public disclosures on a regular basis and aims to make its stakeholders an indispensible part of its growth process. Within this framework, the company provides both its stakeholders and the public with annual reports that are creative, easy to ready, informative and comprehendible as per the main themes that shape the goal of every annual report during the process of preparation of the annual reports. This approach and all this diligence of course received its awards. Katmerciler's annual report get significant appreciation at the international level and receives more than one award. As the leader of the vehicle-mounted-equipment sector in Turkey and as the sole publicly traded company in that field, Katmerciler made another international achievement with its 2011 Annual Report as it was the case with its first annual report. In the contest organized by the League of American Communications Professionals-LACP, whereby the best annual reports at the international level are selected, this year again Katmerciler won the 'Platinum' award as the top company in this category in the world. In the contest where over 5.500 companies from numerous countries were nominated, Katmerciler was ranked 18th in the world and 10th in the EMEA-Europe, Middle East, Africa region.





THE MOST CREATIVE ANNUAL REPORT

Leaving behind its competitors from Turkey which are among the prominent brands of the sector, Katmerciler won the award for second place among 20 companies that competed with their 2011 Annual Reports in addition to the 'Platinum' award for 'The Most Creative Annual Report of EMEA–Europe, Middle East, Africa Region'. In this category, Katmerciler also received the 'Silver' award. Other companies that joined the contest alongside Katmerciler include names like Akbank, Akfen GYO, Aktifbank, Albaraka Türk, Anadolu Sigorta, Arçelik, Garanti Bankası, Kartonsan, Pınar Süt, Şekerbank, TAV, THY, Turkcell, Türk Telekom, TÜPRAŞ, and Yapı Kredi.

At the last year's contest, Katmerciler had been ranked 59th in the world and 29th in the EMEA–Europe, Middle East, Africa region with its Annual Report for 2010.

VEHICLE MOUNTED EQUIPMENT FROM THE EYES OF A CHILD

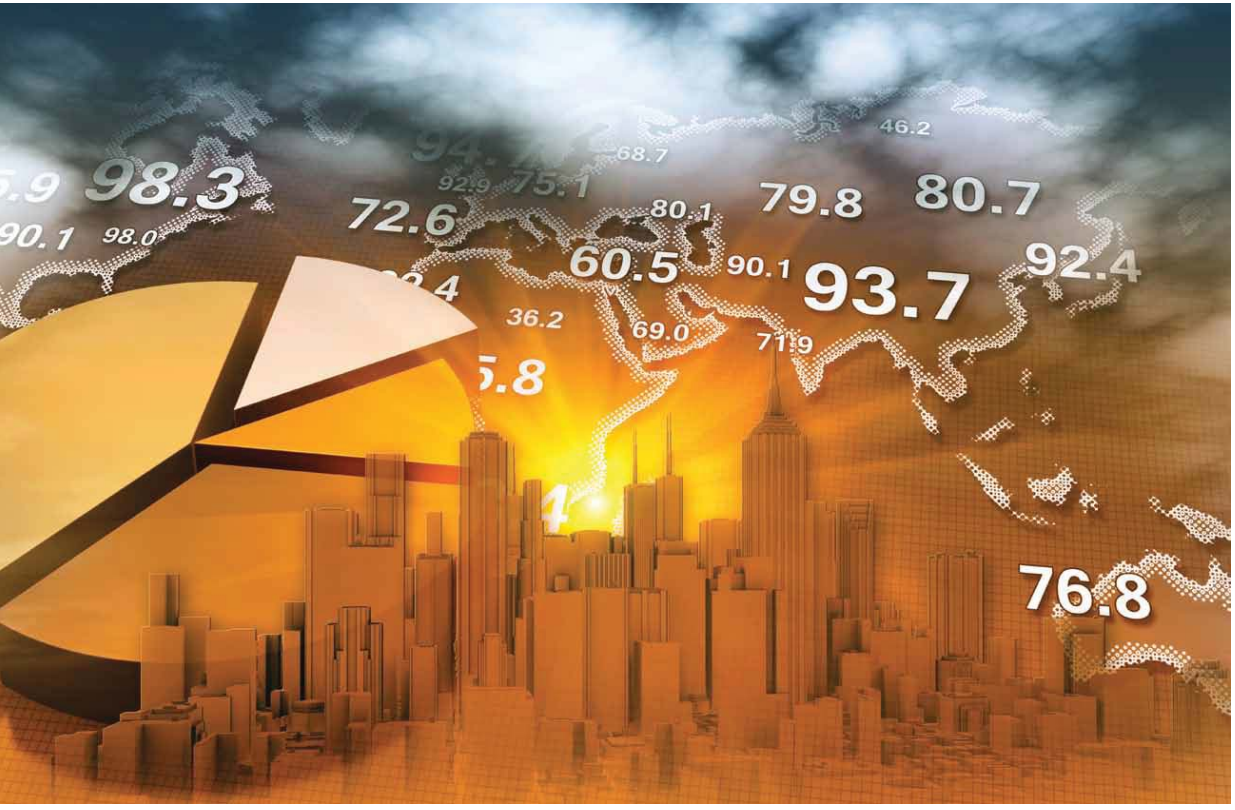
Katmerciler's 2011 Annual Report which received 99 points on a scale of 100 points as a result of the evaluation of the jury which used terms like 'creative', 'perfect' and 'impressive' in their notes to describe the annual report, has been prepared.

The report summarizes the vehicle–mounted–equipment such as fire truck, garbage truck, tanker, damper, rescue vehicle, sewage truck, channel opening truck and road sweeping vehicles and emphasizes their importance in providing healthy, safe, clean and high quality living conditions and links it to aspects of social responsibility related to future of our children. The report attracted attention with its extraordinary and impressive visual elements and its design as well.

The report features cartoon like drawings of the vehicles and their functions and the cover of the report features the mesage of 'It's worth for our children' while the back cover features the following statement 'Children have dreams and adults have ideas. Our ideas should serve their dreams.' The report also details Katmerciler's operations and performance in 2011 and summarizes the company's goals for 2015.

IT IS A SOURCE OF PRIDE FOR THE SECTOR AS A WHOLE

Placing great emphasis on its relations with all its stakeholders since the day it went pubic, Katmerciler has always been very careful about maintaining an open and a transparent relationship with its investors. The company was not content with just complying with legal requirements when preparing the annual report and even aimed to communicate messages that would reflect its corporate identity and stance as well as its stance. The company's annual report had ranked 59th in the world and 29th in the EMEA–Europe, Middle East, Africa region at the previous year's contest. This year, the company raised the bar by being ranked 18th in Europe, 10th in the EMEA–Europe, Middle East, Africa region and second among the similar companies in Turkey.



GOING PUBLIC IS NOT ONLY A FINANCIAL INSTRUMENT!

KATMERCİLER'S GOAL WITH PUBLIC OFFERING WAS TO OBTAIN CERTAIN BENEFITS. OPERATING IN LINE WITH THE CAPITAL MARKETS BOARD LEGISLATION AS A RESULT OF GOING PUBLIC, INTEGRATING THE NOTION OF CORPORATE GOVERNANCE INTO ALL ACTIVITIES OF THE COMPANY, TRANSPARENCY AND OPENNESS WERE ALL IMPORTANT FACTORS THAT ACTED AS DRIVING FORCES BEHIND THE PROCESS OF INSTITUIONALIZATION OF THE COMPANY.

Katmerciler continued its efforts for going public non-stop even during a time when global crisis was at its peak and the company achieved a significant success with its public offering it realized via Deniz Yatırım in November 2010. Katmerciler was able to open 24% of its capital to public by creating demand that was three times bigger than the offering.

Total of 3 million shares issued were offered to public on 3-4-5 November 2010 via book-building method based on a per share price of 6 TL and company's shares got listed in İstanbul Stock Exchange (ISE) as of 11 November 2010. Involved in the Public Offering Campaign initiated by ISE and the Capital Markets Board (CMB) in those days, Katmerciler, by participating in this initiative aimed at the development of Turkish capital markets, not only raised funds for its new investments but also experienced the pride of contributing to the national economy.

AN IMPORTANT LEVERAGE FOR HE GROWTH TARGET

Income from the public offering was used in financing planned investments and reinforcing the financial structure of the company. The material power provided by the public offering and its contribution to the corporate identity, served as important leverages in Katmerciler's journey to become a regional brand. Katmerciler's goal with public offering was to obtain certain benefits. Operating in line with the Capital Markets Board legislation as a result of going public, integrating the notion of corporate

KATMERCILER EKİPMAN – Monthly Summary of Trading by Foreign Investors

Year	Amount Purchased	Amount Sold	Total Volume	Net Amount Purchased
2010	25,935	25,335	51,271	600
2011	1,018,508	651,148	1,669,655	367,360
2012	1,726,886	51,087	1,777,973	1,675,798
Total	**2,771,328**	**727,571**	**3,498,899**	**2,043,75**

KATMERCILER EKİPMAN –Summary of Trading by Foreign Investors

Year	Amount Purchased	Amount Sold	Total Volume	Net Amount Purchased
2010	37,868	37,456	75,324	412
2011	1,715,502	1,145,735	2,861,236	569,767
2012	3,089,276	90,627	3,179,903	2,998,649
Total	**4,842,646**	**1,273,817**	**6,116,463**	**3,568,828**

governance into all activities of the company, transparency and openness were all important factors that acted as driving forces behind the process of institutionalization of the company.
All of these were going to enable rapid growth upon a strong foundation. Moving forward with the sense of responsibility towards new partners and shareholders was going to make Katmerciler stronger.
On the other hand, funds from the public offering were to be directed to new investments in line with the existing growth plans and this was going to increase the growth potential of the company. Katmerciler chose to go public rather than obtaining loans to finance its growth strategy.
For Katmerciler, public offering was not only a source of funding but was also the catalyzer of institutionalization. No other method of fund raising could contribute this much to the efforts for institutionalization.

And just as expected, a large scale public offering process providing great benefits to the company both in terms of management and finance was completed with great success. Now, after two years, Katmerciler is experiencing all of the positive consequences of operating as a publicly traded company.

A JOURNEY OF SUSTAINABLE PROFITABILITY

With this public offering, Katmerciler served as the ambassador of the 'Public Offering Campaign' initiated by ISE and CMB and is now using the funds raised via the public offering in financing its planned investments and reinforcing its financial structure. The financial power and morale brought about going public moved Katmerciler closer to its goals of 'Becoming a regional brand in the vehicle-mounted equipment sector as of 2015' and 'Achieving sustainable profitability'.

BREAKING GROUNDS AT THE STOCK EXCHANGE

As Turkey's first listed vehicle-mounted equipment manufacturer, Katmerciler made a groundbreaking entry into the capital markets with the use of 'buy-back guarantee' and 'bonus share incentives' both of which were novelties in the Turkish capital markets.
The goal with these incentives is to encourage investors for longer-term investments and to protect and reward those investors who are more long-term oriented. As demonstrated by the financial tables, Katmerciler's focus is not just growth but profitable growth. As a result, Katmerciler aims to become not only a growing company but also a company that maintains its profitability and shares its profits with its investors during the phase of growth. With every step taken, the company moves forward with the awareness of its responsibility towards its thousands of investors.

KATMERCİLER USES ITS REVENUE FOR FINANCINF ITS PLANNED INVESTMENTS AND FOR REINFORCING THE FINANCIAL STRUCTURE OF THE COMPANY. THE FINANCIAL POWER AND MORALE BROUGHT ABOUT BY GOING PUBLIC MOVED KATMERCILER CLOSER TO ITS GOALS OF 'BECOMING A REGIONAL BRAND IN THE VEHICLE-MOUNTED EQUIPMENT SECTOR AS OF 2015' AND 'ACHIEVEING SUSTAINABILE PROFITABILITY'.

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SAN. ve TİC. A.Ş.

01 JANUARY 2012 – 31 DECEMBER 2012 ANNUAL REPORT

CONTENTS

1. PARTNERSHIP STRUCTURE AND CAPITAL DISTRIBUTION

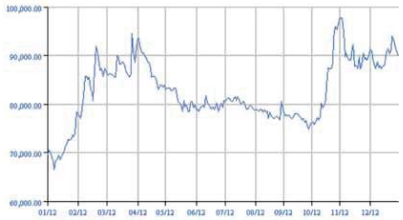
AUTHORIZED CAPITAL: TL 25.000.000

PAID UP CAPITAL: TL 25.000.000

Our Company's partnership structure is as below, and İsmail Katmerci is the ultimate controlling shareholder with 58.11% shares.

PARTNERS	AMOUNT OF SHARES (TL)	PERCENTAGE OF SHARES (%)
İsmail Katmerci	14,528,333.40	58.11
Public Share	6,071,666.60	24.29
Others	4,400,000.00	17.60
Total	25,000,000.00	100.00

KATMERCİLER MARKET VALUE CHART (TL 1000)



PROGRESS IN STOCK PRICES WITHIN THE PERIOD

Our Company's shares that are traded in the II. National Market of İstanbul Stock Exchange, were traded with minimum price of TL 2.60 maximum price of TL 4.04 per lot, between 01.01.2012–31.12.2012. Progress in the market value of our Company's shares between 01.01.2012 and 31.12.2012 are shown in the chart below.

2. AMENDMENTS MADE TO THE ARTICLES OF ASSOCIATION DURING THE PERIOD AND THEIR REASONS

For the amendment of Articles 10, 16, 17, 20, 25, 26 and 33 of the company's Articles of Association, cancellation of Article 27, amendment of the article numbers for Articles 29, 30, 31, 32, 33, 34, 35, 36 and 37 due to cancellation of Article 27 and for replacing Article 37 titled 'Compliance with Corporate Governance Principles' with a new article; with the goal of complying with the provisions of Capital Markets Board Communiqué Serial: IV Nr: 57 announced in the official newspaper numbered 28201 and dated 11.02.2012 and the Communiqué titled 'Communiqué for Setting and Implementing Corporate Governance Principles' (released in official newspaper dated 30.12.2011 and numbered 28158) a pre-approval has been obtained by means of the Capital Market Board's correspondence dated 06.06.2012 for the amendment of the text of the company's Articles of Association and the Draft Amendments approved by the Ministry of Customs and Trade on 18.06.2012 before their approval at the Ordinary General Assembly dated 29.06.2012. Following the approval by the Ordinary General Assembly, the Draft Amendments were registered by İzmir Commercial Registry Office and the Draft Amendments were announced via the Turkish official newspaper of trade Issue 8109 dated 11.07.2012.

3. TYPE AND AMOUNT OF THE CAPITAL MARKET TOOLS ISSUED DURING THE PERIOD

Katmerciler did not issue any capital markets tool during the period from 01.01.2012 to 31.12.2012.

4. MEMBERS OF THE BOARD AND THE AUDIT BOARD

As per the Articles of Association of our company, Turkish Code of Commerce and the relevant legislation, members of the Board and the Audit Board are to be appointed by the General Assembly.

A) BOARD OF DIRECTORS AND AUDIT BOARD:

At the Ordinary General Assembly held on 29 June 2012, Members of the Board were appointed for an office term of three (3) years and the Board Members were approved on 6 July 2012. Appointment of the Board Members was announced via the Commercial Registry Newspaper dated 11 July 2012.

BOARD OF MANAGER

NAME AND SURNAME	TITLE	TENURE	
İsmail Katmerci	Chairman of the Board	29.06.2012	29.06.2015
Mehmet Katmerci	Vice Chairman, General Director, CEO	29.06.2012	29.06.2015
Havva Katmerci	Member of the Board	29.06.2012	29.06.2015
Osman Nuri Filiz	Independant Member of the Board	29.06.2012	29.06.2015
Taha Aksoy	Independant Member of the Board	29.06.2012	29.06.2015

At the Ordinary General Assembly dated 29 June 2012, members of the Audit Board have been elected for a period of one (1) year that is valid until the Ordinary General Assembly of the Shareholders to be held in 2013.
This decision of the General Assembly has been anounced via the Commercial Registry Paper dated 11 July 2012.

BOARD OF AUDITORS

NAME AND SURNAME	TITLE	TENURE	
Osman Gürbüz Özkara	Supervisor	29.06.2012	29.06.2013
Aydın Buğra İlter	Supervisor	29.06.2012	29.06.2013

AUTHORITIES AND RESPONSIBILITIES OF ADMINISTRATIVE BOARD MEMBERS AND SUPERVISORS

Authorities and responsibilities of Administrative Board Members and Supervisors are determined as per the 10th, 16th and 17th articles of the Company's Articles of Incorporation.

In the 21st and 22nd articles of the Articles of Incorporation, authorities and responsibilities of the Board of Supervisors are stated.

B- COMMITTEE LIABLE OF SUPERVISION

Members of the Committee Liable of Supervision are; Vice President of the Executive Board Furkan Katmerci; Administrative Board member Havva Katmerci, who are not executive members.
The Committee Liable of Supervision supports the Administrative Board with the purpose of supervising the Company's accounting system, public disclosure of financial information, and process and efficiency of the internal control system.
Audit Committee Working Principles have been approved by the Administrative Board in 10.10.2011, within the context of CMB Corporate Governance Policies Part IV, Article 5.6, and CMB Independent Audit Report Serie: X No. 2 2 Article 25. It is placed on the Company's website as approved.

C- MODIFICATIONS MADE WITHIN THE YEAR REGARDING SENIOR MANAGEMENT AND INFORMATION ON PEOPLE ON DUTY

No changes have been made in the Company management within this period. Administrators are listed below:

Administrators:

NAME - SURNAME	TITLE	PROFESSION	PROFESSIONAL EXP.
Mehmet Katmerci	Vice Chairman, General Director, CEO	Businessman	20 years
Furkan Katmerci	Vice Chairman	Businessman	3 years
Gökmen Ölçer	Coordinator of Finance	Financial Advisor	20 years
İsmail Hakkı Kırkıl	Director of Foreign Sales	Mechanical Engineer	23 years

5. THE COMPANY'S SECTOR OF ACTIVITY AND POSITION

In 2012, automative main industry exports has been 10.7 billion USD, sub-Industry exports where our Company is also involved has been 8.2 billion USD, at a total industry exports of 18.9 billion USD.

Compared to 2010, main industry exports decreased by 10%, and sub-industry exports by 2%.
In 2012 total industry export decreased 7%. (TİM)
On vehicle equipment sector, where our Company also operates in, is considered to be the sub-sector of automative sub-industry.
Our Company's domestic and overseas production and sales figures are included in automative sub-industry figures statistically.

Statistical figures for domestic and international produciton and sales of our Company are included in the figures for automative side industry.

EXPORT OF AUTOMOTIVE SUB-INDUSTRY

	USD	
	1 Jan - 31 Dec 2012	1 Jan - 31 Dec 2011
Turkey	8.271.637.583	8.457.193.003
Katmerciler	73.589.327	32.046.561
Katmerciler's Part	% 0,88	% 0,38

Source: TİM (www.tim.org.tr)

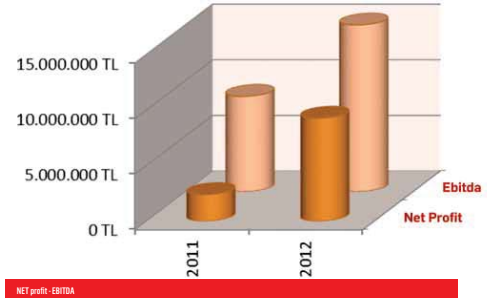
6. PRODUCTION AND CAPACITY

	1 JANUARY -31 DECEMBER 2012				1 JANUARY -31 DECEMBER 2011			
	CAPACITY IN UNITS	PRODUCTION IN UNITS	C.U.R %	C.U.R %	CAPACITY IN UNITS	PRODUCTION IN UNITS	C.U.R %	C.U.R %
Garbage	188	350	186%	186	188	514	273%	273
Fire	690	71	10%	10	690	118	17%	17
Dumper	287	131	46%	46	287	48	17%	17
Canalization and Cleaning	95	15	16%	16	95	27	28%	28
Sewage Truck	70	69	99%	99	70	39	56%	56
Tanker	274	134	49%	49	274	54	20%	20
Street Sweeping	12	53	442%	442	12	24	200%	200
Social Incidents Response Vehicle	25	10	40%	40	-	28		-
Armoured Response Vehicle		-		-	-	24		-
Rescue Vehicle + Equipment	27	31	115%	115	-	49		-
Hooklift Vehicle + Equipment	-	-		-	-	14		-
Lowbed	3	16	533%					
Mobile Care	8	18	225%					
Platform	57	39	68%					
Other	87	69	79%	79	87	43	49%	49
GENERAL C.U.R. (%)				55%				58%

During the period of 01.01.2012 – 31.12.2012 our company produced 1.006 equipments which corresponds to a capacity utilization rate of 55%

7. SALES AND THE COMPANY'S ANNUAL PERFORMANCE

SALES (TL)	1 JAN - 31 DEC 2012	1 JAN - 31 DEC 2011
Garbage Box + Garbage Equipment	31.822.309	20.627.758
Fire equipment + Fire Truck	14.098.975	17.748.467
Dumper Box	15.244.865	3.060.506
Combined Channel Opening Vihicles + Equipment	3.293.409	3.730.741
Sewage Truck+ Equipment	6.148.245	3.633.897
Water and Fuel Tanker + Equipment	16.052.989	3.446.956
Street Sweeping Vehicle + Equipment	12.131.437	2.902.902
Social Incidents Response Vehicle	5.273.507	3.640.000
Armoured Response Vehicle	-	2.616.000
Rescue Vehicle + Equipment	5.597.263	6.685.509
Hooklift Vehicle + Equipment	-	1.823.884
Lowbed	2.664.470	-
Mobile Care	3.628.918	-
Platform Box	6.106.392	-
Other	31.052.554	15.787.346
TOTAL SALES COST	153.115.333	85.703.966
COST OF SALES	121.383.149	66.510.819
GROSS SALES PROFIT	31.732.184	19.193.147
COST OF ACTIVITIES	18.100.314	11.135.712
ACTIVITIES PROFIT	13.631.870	8.057.435
EBITDA	14.987.225	8.572.400
NET SALES PROFIT	9.271.174	2.398.607



The Company's total assets have increased by 30% compared to the previous year, and reached TL 152,957,966. The Company's 2012 sales revenue has increased by 79%, and the share of exports in 2011 total revenue which was 65%, increased to 90% in 2012. The Company's equity capital has reached TL 40,323,850 TL as of 31.12.2012, which indicates an increase of 35% compared to previous year. Operating profit margin was 9% in 2012. The Company's current ratio as of 31.12.2012 was 1.29, and the net working capital was TL 27,660,128 TL.

	31.12.2012	31.12.2011
Sales Revenue - Net	153.115.333	85.703.966
Exports Revenue - Net	137.695.365	55.646.304
Operating Income	13.631.870	8.057.435
Operating Profit Margin	9%	9%
Profit Before Tax	12.470.321	3.692.259
Net Profit	9.271.174	2.398.607
Net Profit Margin	6%	3%
Current Assets	122.899.156	91.938.485
Fixed Assets	30.058.810	26.173.500
Size of Assets	152.957.966	118.111.985
Short Term Foreign Resources	95.239.028	75.537.711
Long Term Foreign Resources	17.395.088	12.682.603
Equity Capital	40.323.850	29.891.671
Financial Liabilities	62.515.855	39.375.601
Investment Expenditure	802.179	4.393.107

8. DEVELOPMENTS REGARDING INVESTMENTS AND STATUS ABOUT UTILIZATION OF AVAILABLE INCENTIVES

INVESTMENTS
A total of 802,179 TL was spent between 01.01.2012 – 31.12.2012 with regard to our new investments, which were announced via the Public Disclosure Platform on 01.03.2011.

9. DIVIDEND POLICY

By resolution No. 2011/12 on 25.02.2011, our Administrative Board organized a profit distribution regarding year 2010 and consequent years. This distribution was presented to the shareholders at the General Assembly meeting held on 11.05.2011.

10. FINANCIAL RESOURCES AND RISK MANAGEMENT POLICIES

26% (2011: 25%) of our Company's consolidated assets as of 31.12.2011 are financed through equities, and 74% (2011: 75%) of it through foreign resources. Financing is performed through foreign resources for the investments regarding the continuance of existing operation and the Company strategies, and for operating capital needs. Approximately 44% (2011: 55%) of financing from foreign resources composed of trade activities, and 56% (2010: 45%) of financial receivables. Within this context, our Company is in cooperation with domestic financial establishments.
Due to trade operations and utilization of financial instruments for these operations, our Company is exposed to interest rate risk and foreign exchange rate risk as loan risks, liquidity risks and risks generating from financial markets.
Risks mentioned are managed in accordance with principles listed below:

CREDIT RISK
Credit risk, is the risk of a customer or the other party not being able to perform the liabilities stated in the agreement. Our Company's collection risk is basically generated from trade receivables. Bad debt risk is fairly low, since a significant part of trade receivables are to be collected from the world's and Turkey's prominent chassis truck producers and public institutions, and since export product payments are collected either in cash or via letters of credit.

LIQUIDITY RISK
Our Company manages liquidity risk via matching groups of financial assets and liabilities by pursuing cash flow regularly.
Prudent liquidity risk management represents keeping sufficient cash, using sufficient loan operations and fund resources, and the power to close out market positions.
Risk of funding existing and possible future payable needs, is managed by accessing reliable creditors in adequate numbers.

INTEREST RATE RISK
Due to its assets earning interest and liabilities paying interest, our Company is open to interest rate risk, which generates from changes in interest rates. This risk is managed in the balance sheet by balancing amount and terms of interest rate sensitive assets and liabilities, or if necessary, through derivatives.

FOREIGN EXCHANGE RATE RISK
The Company experiences foreign exchange rate risk due to various income and cost items of foreign currencies, and due to foreign payables, receivables, and financial payables generating from these items.
When it is required in terms of financial assets and liabilities in terms of foreign currencies, the Company keeps the risk at a reasonable level by buying and selling foreign currencies at spot rates.
In order to minimize foreign exchange rate risk in the balance sheet, the Company occasionally keeps its idle cash as foreign currency.
The Company is exposed to floating exchange rate risk on the ground that most bank loans have variable interest rates.

11. PREDICTIONS AS TO THE PROGRESS OF THE COMPANY

Efforts aimed at institutionalization of our company and making our company a more active and reputable brand at the international level in line with our strategic goals, will be intensified. Along with these developments, our company will continue its healthy growth trend with our new joint venture Gimkat Araç Üstü Ekipman A.Ş. We strongly believe that our new venture will create value both for our shareholders and investors and reinforce Katmerciler's position as the biggest investor in its sector.

12. BASIC RATIOS

LIQUIDITY RATIOS	31.12.2012	31.12.2011
CURRENT RATIO	1,29	1,22
COMMERCIAL RECEIVABLES / ASSETS	0,39	0,27
FINANCIAL STRUCTURE RATIOS		
TOTAL FOREIGN RESOURCES (K.V.+U.V.) / TOTAL ASSETS	0,74	0,75
EQUITIES / TOTAL ASSETS	0,26	0,25
RATIOS RELATED TO PROFITABILITY		
GROSS SALES PROFIT / NET SALES	0,21	0,22
EBITDA MARGIN	0,10	0,10

13. PERSONNEL AND EMPLOYEE MOVEMENTS, EMPLOYEE RIGHTS AND BENEFITS

❒ The number of employees, which was 302 at the beginning of 2012, increased to 354 as per 31.12.2012.
❒ We are liable by TL 1,135,191 severance payments, as of period-end, to our employees who earned their rights to receive severance payments as of 31.12.2012.

14. DONATIONS

The total amount of our Company's donations and grants amount in TL 18,450 TL in the period of 01.01.2012 – 31.12.2012. (31.12.2011: 11,020 TL)

15. OFF-CENTER ORGANISATIONS

We do not have any off-center organizations.

16. INFORMATION ON AFFILIATES CONSOLIDATION

Main activity areas of consolidated companies and parent company's participation ratios are as follows:

AFFILIATES	ACTIVITY SCOPE	THE GROUP'S PARTICIPATION RATIO (%) 31 Aralık 2012	31 Aralık 2011
Katmerciler Profil Sanayi ve Ticaret A.Ş	Painting Labour	93,33	93,33
Ispan Otomotiv ve Üst Ekipman Metal Makine San. ve Tic.A.Ş	Welding Labour	95,67	95,67
Gimkat Araç Üstü Ekipman Sanayi ve Ticaret A.Ş.	On vehicle equipment production	49,99	49,99

The accounting policies of the companies included in the consolidation process, have been harmonized with the accounting policies of the Main Partnership. All intra-group transactions, balances, income and revenue have been eliminated via consolidation.

17. PUBLIC DISCLOSURE POLICY

Our company's 'Public Disclosure Policy' aimed at providing public with information regarding the company in an effective, efficient and timely manner that was prepared in accordance with Section II, Article 1.2 of CMB Corporate Governance Principles and became effective after the Board Resolution dated 25.02.2011 and numbered 2011/13 is available both in our Annual Report and our company's official website: www.katmerciler.com.tr Public Disclosure Policy of our company was shared with our Shareholders during the Ordinary General Assembly for year 2010 that was held on 11.05.2011.

18. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1.1. Corporate Governance Principles Currently Ineffective

Our company believes in the importance of compliance with Corporate Governance Principles that were first released in 2003, revised in 2005 and then finalized as a result of comprehensive amendments via the Communiqué Serial IV No: 56 released in Official Newspaper dated 30.12.2011. Our company has fully adopted the above-mentioned Corporate Governance Principles.

1.2. Initiatives aimed at Compliance During the Period

As part of the Capital Markets Board Communiqué Serial: IV NO: 57 and the Communiqué Serial: IV, No: 56 titled 'Communiqué for Setting and Implementing Corporate Governance Principles':

❑ With the goal of ensuring compliance with Corporate Governance Principles, necessary amendments were made in the Articles of Association and the new text of the Articles of Association was approved at the Ordinary General Assembly held on 29.06.2012.

❑ In accordance with the principles and criteria for Independent Board Membership and based on the recommendation of the Company's Audit Committee, Independent Board Members were elected and a Corporate Governance Committee comprising Independent Board members was formed to carry out the duties of the Candidate Nomination Committee, Compensation Committee and the Early Risk Detection committee and the members of the Audit Committee were replaced in order to comply with the relevant Communiqué.

❑ 'Principles for Determining the Compensation and Benefits of Company's Board of Directors and Senior Managers' prepared in accordance with CMB Communiqué Serial IV, No: 56 Article 4.6.2, and approved by the General Assembly is available on company website at www.katmerciler.com.tr.
As part of the provisions of the Turkish Code of Commerce numbered 6102 and dated 30.12.2011 and the Capital Markets Board Communiqué Serial: IV No: 56 titled 'Communiqué for Setting and Implementing Corporate Governance Principles' that became effective on 30.12.2011, an Early Risk Detection and Risk Management Committee was formed to provide recommendations to the Board of Directors with the goal of developing a system for early risk detection and risk management at the Board Meeting dated 17.09.2012.
Corporate Governance Principles Compliance report is revised annually and the intermittent financial reports comprise only updated parts instead of the whole report. The whole report is accessible in the Annual Report 2012 and www.katmerciler.com.tr web-site.

DUTIES AND OPERATING PRINCIPLES OF THE EARLY RISK DETECTION COMMITTEE OF KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SAN. VE TİC. A.Ş.

1. PURPOSE AND SCOPE:

This provision was created for determining the duties and operating principles of the 'Early Risk Detection Committee' which must be formed as per the Corporate Governance Principles and the provisions of Article 378 of Turkish Code of Commerce numbered 6102.

2. COMMITTEE STRUCTURE:

Committee is set up as a result of the resolution of the Board of Directors. Committee comprises at least two members, at least one of which must be an independent board member. Independent board member also serves as the chairman of this committee. Committee members are appointed by individuals who have capacity regarding financial issues. CEO and General Director are not allowed to be a committee member. Committee will be setup after the General Assembly.

3. DUTIES AND OPERATING PRINCIPLES OF THE COMMITTEE:
Committee members will meet at least twice a year based on the committee meeting principle and upon the call of one of the committee members when necessary or upon the call of the audit committee or the Board of Directors. At different times, the committee may refer to individuals from inside or outside the company or institutions to get their views about certain issues. Board of Directors is required to provide all necessary resources and support to allow for the committee to carry out its duties properly. The committee may appoint individuals and/or institutions with capacity regarding a certain duty and compensation and expenses related to this duty will be paid for by the company.
This committee will also carry out operations within the framework of the Article 378 of Turkish Code of Commerce numbered 6102. The committee would determine, measure, analyze and track the risks that the company may face and reports the results of these analyses to the Board of Directors. It would also make warnings about controllable and non-controllable risks. As per this provision, the committee will report to the Board of Directors every 2 months.

4. TERM OF EFFECTIVENESS:
Above mentioned duties and principles of operation will become effective upon the resolution of the Board of Directors.

PART I - SHAREHOLDERS

2. RELATIONS WITH SHAREHOLDERS DEPARTMENT

During the utilization of shareholders rights, compliance with legislation, Articles of Incorporation and other internal regulations are assured; as well as the assurance on the utilization of these rights. Katmerciler A.Ş. conducts relations with shareholders within Financial Coordination. Primary goal of the Company is to provide that shareholders' right to information is fulfilled with justice and accuracy. In addition, the Company fulfills the partnership rights of shareholders accurately and in shortest term possible.
Major activities conducted by the Relations with Shareholders Unit are:
❏ To keep registration of shareholders up to date, safe and sound.
❏ To fulfill shareholders' verbal and written demands from the Company, except for the trade secrets that are not disclosed.
❏ To ensure that the General Assembly Meeting is in compliance with the legislation in effect, the Articles of Incorporation or other internal regulations.
❏ To prepare the documents that the shareholders might benefit from in the General Assembly.
❏ To ensure accurate registration of voting results and delivery of these reports to shareholders on demand.
❏ To look out for and pursue every kind of issue regarding informing the public, including the legislation and the Company's information policy.
❏ To prepare the context of 'investors relations' tab on the Company's corporate website (www.katmerciler.com.tr), to update it periodically, to ensure that the shareholders access the Company information fastly and easily.
❏ To inform the public by announcing the 'Special Occasion Declaration' by ISE via Public Disclosure Platform, grounded on Capital Markets Board's Series VIII, No: 54 notice.
❏ To pursue legislational changes related to the Capital Markets Board and bring them to the relevant department's attention.
❏ To represent the Company in the presence of the Capital Markets Board, İstanbul Stock Exchange and the Central Registry Agency.

Employees liable of relations with shareholders department:

❏ Gökmen Ölçer
Financial Coordinator
❏ Nebile Haspolat
Chief Accountant
Phone: 0232 376 75 75
Fax: 0232 394 01 97
e-mail: yatirimci.iliskileri@katmerciler.com.tr

NOTIFICATION OF INVESTORS IN 2011
In 2012, all written and verbal inquiries forwarded to the Investor Relations Unit have been responded to, as shown with statistical data below:
Notifications via phone : 19
Notifications via e-mail : 96

3. USAGE OF KNOWLEDGE ACQUISITION RIGHTS BY STAKEHOLDERS

There is no any discrimination at company between stakeholders on based usage of debriefing and researching rights.

On the purpose of both extension of stakeholders debriefing and optimal usage rights, beside of financial tables also all required informations and documents invariably updating at electronic media on corporate website (www.katmerciler.com.tr) to make available for stakeholders

All written and verbal information requests which ones came from stakeholders and mentioned term have been replied by taking into consideration of Capital Market Legistation as written and verbal without do any discrimination between societas.

Within KAP, all explanations that consist of special cases and have obligation to send Istanbul Stock Exchange, financial tables and other details that related company have been send on electronic media as electronic signed.

Independent Auditing Firm that has been determined by advise of Inspectorate is periodically be contralled by auditors which auditors have been selected by AC International Independent Audit and Financial Advisor Consultantcy Incorporated Company and Plenary Session. There is no any regulation in relation to assignment of private auditor at Master Agreement.

4. GENERAL BOARD MEETING INFORMATION

All of the Group A and B shares which make up the firm's capital are registered under the firm and shareholders, respectively. The firm's General Board Meeting was held on 29.06.2012 at the headquarters. The Information Document, Meeting Record, List of Participants and Supervisor's Report of General Board Meeting of 2011 are published at our website : (www.katmerciler.com.tr).

5. VOTING AND MINORITY RIGHTS

Voting procedures of the General Board Meetings are announced to the voters at the beginning of meeting. Procedures which would make it harder to vote are avoided in the firm and the opportunity to easily and appropriately use one's own voting right is given.

There's no stated privilege in the Main Agreement about the usage of voting rights in the firm. Each share grants one vote. Among the partners of the firm, no subscribed legal entity is included. There's no statement in the Main Agreement prohibiting non-shareholders from voting as a delegate. The shareholders representing their minor shares make up the Administration alongside the major shareholders by their participation in the General Board Meetings. The method of built-up voting isn't allowed in the Main Agreement.

6. PROFIT DISTRIBUTION POLICY AND DATE OF PROFIT DISTRIBUTION

With the decision dated 25.02.2011 and numbered 2011/12 of our executive board, profit distribution policy of our company concerning 2010 and following years was formed and was published in the investor relations unit of company's website (www.katmerciler.com.tr).

Principles concerning the distribution of profit in 34th article named 'Detection and Distribution of Profit' of Company's main contract have been issued in accordance with the relevant provisions of Turkish Trade Act and Capital Market Laws.

7. TRANSFER OF SHARES

Those who have company's registered A group share (including ownerships coming by heritage and grants) shall not sell or transfer their shares to the others without the written permission of company's executive board.

The executive board has the right of refusal regarding this matter without giving justifications. Those who have company's registered A group share might change their registered A group share by transferring to registered B group share on condition that they get the written permission of the executive board.

The transfer and disposition of bearer B group share is subject to Turkish Trade Act, Capital Markets Law and provisions of other relevant regulation.

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. COMPANY'S INFORMING POLICY

GOAL

As in every field of activity, Katmerciler is conscious to its responsibility towards all of its partners. Katmerciler performs a clear and transparent attitude towards relevant public authorities, finance and capital markets institutions as well as all investors and shareholders. The Company considers acting in accordance with corporate citizenship principles as a natural manner. This approach establishes the basics of Katmerciler's informing policy.

The goals of Informing Policy are; by taking company strategies and performance into consideration, to share information equally with the public and authorized establishments, existing and potential investors and shareholders. Within this context, the Company shares information on its accumulative performance, future expectations, strategies, goals and visions, excluding commercial confidential information; to offer a continious, efficient and open communication platform through investor relations department, by declaring financial information accurately and promptly, and in detail; within the frame of generally accepted accounting principles, International Accounting Standards and Capital Markets Law. Katmerciler complies with regulations of Capital Markets Board and İstanbul Stock Exchange Market (ISE), in all practices regarding public disclosure.

MANDATE AND LIABILITY

The Executive Board is liable for the constitution, audit and update of the Informing Policy. The Informing Policy authorized by the Administrative Board is submitted to shareholders and disclosed to the public through the website. Financial Coordination is assigned for pursuing every kind of matter regarding public disclosure.

METHODS AND TOOLS

Within the frame of Capital Markets Board regulations and the Turkish Commercial Code, when determining its public disclosure and enlightment policy, Katmerciler Araç Üstü Ekipman San. ve Tic. A.Ş. utilizes the following methods and tools:

- ❑ Special Occasion Declarations presented to ISE (Public Disclosure Platform notifications are presented simultaneously and electronically).
- ❑ Financial Reports delivered periodically to ISE (Public Disclosure Platform notifications are presented simultaneously and electronically).
- ❑ Annual and interim activity reports (Published in print and in the Company website www.katmerciler.com.tr).
- ❑ Corporate website (www.katmerciler.com.tr).
- ❑ Information and introduction documents prepared for investors.
- ❑ Prospectus, circular, announcement texts and documents, as per Capital Markets Board regulations.
- ❑ Press releases and bulletins via printed and visual media.
- ❑ Notices and announcements made via Turkish Registry Gazette and daily newspapers.
- ❑ Bulletins intended to inform investors and shareholders.

PUBLIC DISCLOSURE OF SPECIAL OCCASIONS

Special occasion declarations are disclosed to the public within the context of Capital Markets Board, Series VIII, Notice No: 54, titled 'Principles Regarding Public Disclosure

of Special Occasions.' Special occasion declarations that intend to assist persons or establishments in decision-making process, are prompt, accurate, eligible, sufficient and remote from deceptive expressions. Mentioned declarations can not be used for advertising purposes.

Public declaration, in circumstances which might affect capital market tools, is prepared by Investor Relations Department, and is signed by the Accounting Manager, Financial Coordinator and General Manager in accordance with the work-flow and approval procedure, and delivered to ISE on the same or consequent day until 9.00 am.

Electronically signed special occasion declarations and financial statements are delivered to Public Disclosure Platform within the framework of ISE and Capital Markets Board Regulations. These are published in the Company website within the next working day, following the day of public disclosure.

Our Company's history, up-to-date and retrospective information are available on the website. Important headlines from the website are summarized as below:

1- Stock and Investor Information

2- Preferred Stock

3- Financial Reports

4- Corporate Identity and Management

5- Special Occasion Declarations

6- Public Offering Documents

Precautions are taken regarding any extrinsic intervention to the information published in the Company website.

PUBLIC DISCLOSURE OF FINANCIAL STATEMENTS

Our Company's financial statements are prepared within the provisions determined by Capital Markets Board and in accordance with International Accounting Standards. Annual and semi-annual financial statements are declared to public by independent auditing in conformity with International Standards on Auditing. Financial statements and annotations are submitted for Administrative Board's approval before declared to public, within the frame of Capital Markets Board legislations, and with conformity of Supervisory Committee. After the signing of the attestation, financial statements, annotations and Independent Audit Report are delivered to İMKB in line with regulations of Capital Markets Board and İMKB. Financial statements, annotations and Independent Audit Report are available on Katmerciler's website.

ANNUAL REPORT PUBLIC DISCLOSURE

Katmerciler annual report is constituted in accordance with international standards, Capital Markets Board regulations and institutional management principles. Annual report is prepared by Investor Relations department, and then submitted for Administrative Board's approval. Printed copies of the annual report, which is accessible on the website 15 days prior to General Meeting, can be supplied from Investor Relations department. In addition, interim reports, prepared for quarterly periods, are announced to public through Public Disclosure Platform; and available for investors' information on Company website.

WEBSITE

Katmerciler website, in Turkish and English languages, is effectively utilized for public informing with its detailed and up-to-date content regarding Company activities, as a communication platform, which enables share- and stakeholders keep track of stock performance up-to-date and conveniently.

NOTICE AND ANNOUNCEMENTS

As per Capital Markets Law, Turkish Commercial Code and Katmerciler Articles of Incorporation; announcements regarding General Meeting, Articles of Incorporationmodification, capital increase and dividend payments are made via Trade Registry Gazette, Public Disclosure Platform and Company website. Investor Relations department gives detail information to the public by looking out for news in printed or visual media that might positively or negatively effect Katmerciler's stocks. Only authorized persons are allowed to give information to the press or the public about the Company.

PERSONS AUTHORIZED TO GIVE INFORMATION

Except for the matters mentioned above, and the matters anounced to public through special occasions declarations; persons authorized to give information are the Chairman of Administrative Board and General Manager.

COMMUNICATION WITH CAPITAL MARKETS PARTICIPANTS

As per Capital Markets Board's Series VI, Notice No. 41, 7th Article 'Regarding the Principles That the Incorporations Subject to Capital Markets Law, will Comply with', in order to provide communication between our Company and investors, based on Administrative Board Decision No.2010/20 dated 28.04.2010, a 'Relations with Shareholders Department' is constituted. Relations with Shareholders Department; fulfills the investors' verbal or written demands, except for the confidential information and trade secrets that are not disclosed to the public.

9. SPECIAL OCCASION DECLARATIONS

Our Company made four special occasion declarations within the period. Regarding public declarations made in year 2010, no situation that required Capital Markets Board or İMKB request annotations occured. There is no special occasion declaration, except İMKB, since Company does not have a quote capital market tool in foreign stock markets. No sanctions are applied as the special occasions declarations are completed within the term set forth by the law.

10. COMPANY WEBSITE AND CONTENT

For the intention of giving information to shareholders and the public, our Company is actively utilizing the Company website, www.katmerciler.com.tr, as projected by Capital Markets Board Principles. Entire information stated in Capital Markets Board Institutional Management Principles Part II. Article 1.11.5, is available on the website.

Financial Coordination is responsible for the constitution of 'Investor Relations' tab on the website, update of information and addition of new information. Works intended for better website service are continuing.

11. DECLARATION OF NATURAL PERSON PREDOMINANT SHAREHOLDER/SHAREHOLDERS

İsmail Katmerci is the ultimate controlling shareholder with 58.40% shares. Our predominant partner is declared to public in Public Offering Prospectus and Public Disclosure Platform Company General Information Form.

12. PUBLIC DECLARATION REGARDING PERSONS ABLE TO BE INFORMED INTERNALLY

Great importance is attached to the attention that must be paid to the rules by all Company employees, regarding the information acquired within the Company, for the balance between transparency and protection of Company benefits. Every kind of precaution is taken regarding the prevention of the utilization of information acquired within the Company.

The information on Company, that are acquired during work time, not desired by the Company to be shared with persons other than the necessary persons, are accepted as 'Company Info'. While all employees who work for Katmerciler A.Ş. and maintain Company confidentiality, they do not utilize information directly or indirectly. None of the Katmerciler employees can perform any activities that will generate revenue by the sale or purchase of Katmerciler A.Ş. shares, utilizing the information they acquired internally.

In case that Company Administrators of the Company, who are able to acquire information that might effect value of capital market tools, purchase or sell via Company's issued capital market tools; they are obliged to public declaration. Such declarations are available on Company's website as well.

PART III - STAKEHOLDERS

13. INFORMING STAKEHOLDERS

Company respects and protects the rights that the stakeholders acquired through mutual agreement and contracts, considering that cooperating with stakeholders is for the Company's benefit.

14. STAKEHOLDERS' PARTICIPATION IN ADMINISTRATION

Employees participation in Administration as stakeholders, is supported via tools such as suggestions, surveys etc., in a manner that Company activities are not failed.

15. HUMAN RESOURCES POLICY

Katmerciler Group; has been conducting its operations in a human-focused manner grounding on its principle of preserving employee commitment and contentment at the highest level, since its establishment. Efficient management of effort constitutes the basis of our human resources policy. In our fast growing company, human resources processes are managed within the scope of institutional culture and codes of conduct. In our Company, basic principles of human resources are; respect, sufficiency (the right person), career planning, being scientific, equality of opportunity, justice, objectivity and job security.

16. INFORMATION ON CUSTOMER AND SUPPLIER RELATIONS

In relations with customers and suppliers; honesty, trust, consistency, professionalism and respect to mutual benefits principles are pursued. In manufacturing, a complete fullfillment of customer needs and expectations is aimed at. Company's trade secrets, information on customers and employees are kept confidential. Donations of the Company are declared to the stakeholders and the public duly.

17. SOCIAL RESPONSIBILITY

Sensitive to matters such as protection of the environment and natural life, customer rights and public health; and in compliance with legislations. Cooperates with civil society organizations with a view to social responsibility.

PART IV - ADMINISTRATIVE BOARD

18. STRUCTURE AND CONSTITUTION OF ADMINISTRATIVE BOARD AND INDEPENDENT MEMBERS

According to the Articles of Incorporation; Company's business and management is conducted by an Administrative Board that is composed of minimum three and maximum seven members, who are elected by the General Board, among candidates nominated by Group A shareholders in Turkish Commercial Code chambers. The number of Administrative Board members is determined in a manner that enables Administrative Board members to perform efficient and creative works, to make rapid and rational decisions, and to organize the constitution of committees and efficiency of their works. It is obligatory to elect all Administrative Board members among candidates nominated by Group A shareholders. Company's Administrative Board constitutes of three members for year 2011. Mr. Mehmet Katmerci takes place in the Administrative Board as Executive Member.

ADMINISTRATIVE BOARD MEMBERS

İsmail Katmerci	Chairman	Non – Executive Duty
Mehmet Katmerci	Chairman	Executive Duty
Havva Katmerci	Member	Non – Executive Duty
Taha Aksoy	Member	Non – Executive Duty
Osman Nuri Filiz	Member	Non – Executive Duty

In the case of an available member seat, new member assignment is conducted by remaining members of the Administrative Board. The assignment is then submitted for the approval of General Board at the soonest meeting. Thus, assigned member performs duty until the soonest General Meeting and in the act of General Board's approval, the member fills in for previous member.
There are no independent members in Company Administrative Board. All members are elected in representation of specific shareholders. Company benefits from Administrative Board members' knowledge and experiences.

19. QUALIFICATIONS OF ADMINISTRATIVE BOARD MEMBERS

Company Administrative Board is formed in a manner that enables highest efficiency. Administrative Board members qualify for Capital Markets Board's Institutional Management Principles.

20. COMPANY MISSION, VISION AND STRATEGIC OBJECTIVES

OUR VISION

Katmerciler; aims to grow together with its partners, employees, suppliers and customers, and become a world brand in on-vehicle equipment sector.

OUR MISSION

Katmerciler undertakes determination of our leadership in the market as a duty

- ❑ By continuing to grow in domestic and international markets,
- ❑ With a production understanding that grounds on customer satisfaction,
- ❑ By always protecting customer rights through support during and after sales,
- ❑ Within an awareness that contains the close follow of technological developments;
- ❑ By being sensitive towards the environment and human,
- ❑ By gaining strenght through the determination and support of our employees,
- ❑ In order to always succeed; for our country, customers, employees, business partners and stockholders.

STRATEGIC PRINCIPLES

- ❑ Achieving an R&D percentage increase by 2% in 2015.
- ❑ Dominate Africa and Middle East garbage truck market.
- ❑ Become more known in world on-vehicle equipment sector as Katmerciler brand by year 2015.

21. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

Company's activities regarding risk management are conducted by Financial Coordination. In addition, our Company is audited periodically by a Certified Public Accountant with a full approval contract and an Independent Auditing company. Findings of both auditing exercises are first shared with Committee Liable of Supervision members and delivered to Administrative Board. The Company's work-flow, procedures, employee authorization and responsibilities are taken under control within risk management and internal control system.

22. AUTHORIZATION AND RESPONSIBILITIES OF ADMINISTRATIVE BOARD MEMBERS AND ADMINISTRATORS

Authorization and responsibilities of Company Administrative Board members are clearly defined in the Articles of Incorporation.

23. FUNDAMENTALS OF ADMINISTRATIVE BOARD ACTIVITIES

According to the Company's Articles of Incorporation: Administrative Board assembles when required by the business, but at least once in a month in any case, on Chairman or Vice Chairman's call. Any member might request a written convocation from the Chairman for the Administrative Board Meeting. Administrative Board meetings are held at the head office. However, if Administrative Board decides, meetings might be held somewhere else.

Administrative Board's agenda is determined by Chairman of Administrative Board. With Administrative Board's decision, changes in agenda might be done.

24. TRANSACTIONS WITH COMPANY AND PROHIBITION OF COMPETITION

General Board's approval is obtained within Turkish Commercial Code's 334th and 335th articles, in case that Chairman and members of Administrative Board perform operations regarding company business, in person or on behalf of another or by becoming such companies' partners.

25. CODES OF CONDUCT

No discrimination by race, etnic origin, nationality, religion or gender among employees. Equal opportunities are provided to employees in equal conditions, wage and promotion are grounded on performance and efficiency. A safe and healthy work place is provided to employees, and so is progress opportunity in their careers. It is fundamental that employees relate within respect, trust and sense of team work. Employees are not allowed to utilize undisclosed information on Company for their or others' benefit. As well as personal and occupational matters, employees are trained for first-aid situations, earthquake and fire. Considering the employees' business and private life balances, our Company encourages them to willingly participate in social and communal activities.

26. RULES REGARDING THE NUMBER, STRUCTURE AND INDEPENDENCE OF THE COMMITTEES SETUP BY THE BOARD OF DIRECTORS

Corporate Governance Committee

As per the resolution of the Board of Directors dated 03.07.2012 and numbered 2012/16, Capital Markets Board Communiqué Serial: IV, Nr: 56 titled 'Communiqué for Determining and Implementation of Corporate Governance Principles' and 'Articles of Association of our Company', a Corporate Governance Committee has been set up.

NAME-LAST NAME	TITLE	RELATION TO THE COMPANY
Taha Aksoy	Committee chairman	Independent Board Member
Osman Nuri Filiz	Committee member	Independent Board Member

It was decided that the Nomination Committee, Remuneration Committee and Early Risk Detection Committee to be set up as per the communiqué mentioned above, will function as part of the Corporate Governance Committee.

Audit Committee

As per the resolution of the Board of Directors dated 03.07.2012 and numbered 2012/16, Capital Markets Board Communiqué Serial: IV, Nr: 56 titled 'Communiqué for Determining and Implementation of Corporate Governance Principles' and 'Articles of Association of our Company', it has been decided to change the existing members of the Audit Committee to comply with the requirements of the relevant CMB communiqué.

NAME-LAST NAME	TITLE	RELATION TO THE COMPANY
Osman Nuri Filiz	Committee chairman	Independent Board Member
Taha Aksoy	Committee member	Independent Board Member

Early Risk Detection Committee

With the goal of complying with the Article 378 of the Turkish Code of Commerce numbered 6102 that became effective on 1 July 2012, Board of Directors of our company set up an Early Risk Detection Committee as per the resolution of Board of Directors dated17.09.2012 and numbered 2012/23.

It has been decided to transfer the duties related to early detection of risk which were previously given to the Corporate Governance Committee as per the resolution made at the board meeting dated 03.07.2012, to the Early Risk Detection Committee. Accordingly, provisions related to the functions of the Corporate Governance Committee have been amended to reflect this change.

NAME-LAST NAME	TITLE	RELATION TO THE COMPANY
Taha Aksoy	Committee chairman	Independent Board Member
Osman Nuri Filiz	Committee member	Independent Board Member

27. FINANCIAL RIGHTS GRANTED TO THE BOARD OF DIRECTORS

As per the Articles of Association of the Company, the amounts and types of financial rights to be granted to the Board members will be determined by the Ordinary General Assembly every year. Board members are to be paid a monthly or an annual salary or a certain amount for each meeting. In 2012, total gross amount paid to Board Members was 1.575.935 TL.

INDEPENDENT AUDITOR'S REPORT

To the Attention of the Board of Directors of Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş.,

1. It is to certify that the attached consolidate balance sheet, consolidated income statement for the year ending on 31 December 2012, consolidated statement of changes in equity and consolidate cash flow statement, summary of major accounting policies and their footnotes as of 31 December 2012 of Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. and its affiliates (to be referred to as the "Group" as a whole) were audited by us.

RESPONSIBILITY OF THE COMPANY MANAGEMENT REGARDING FINANCIAL TABLES

2. Group management is responsible from preparation of the consolidated financial statements in accordance with the financial reporting standards published by the Capital Markets Board. This responsibility includes the designing, implementation and maintenance of necessary internal audit systems with the purpose of ensuring that consolidated financial statements are free of any errors and/or errors due to fraud and irregularity as well as accounting forecasts as required by the conjuncture and the selection of suitable accounting policies.

RESPONSIBILITY OF THE INDEPENDENT AUDIT COMPANY

3. Our responsibility is to express our views about these consolidated financial statements based on the independent audit process we carry out. Our independent audit process has been carried out in accordance with the independent audit standards of the Capital Markets Board. These standards require that the audit company complies with ethical principles and that the audit process is planned and carried out in a manner to ensure that the consolidated financial statements reflect the real conditions in a correct and honest way.

Our independent audit process involves the use of independent audit techniques with the purpose of collecting independent audit evidence regarding the consolidated financial statements and the relevant footnotes. The process for selection of the independent audit methods is based on our occupational knowledge in a manner to include risk assessments regarding weather or not the consolidated financial statements contain any major errors including those result from mistakes and/or fraud or irregularity. During this risk assessment, the internal audit system of the company was taken into consideration. However, our aim is not to make comments regarding the effectiveness of the internal audit system of the company but to demonstrate the relationship between the financial statements prepared by company management and the internal audit system with the goal of designing the independent audit

methods in accordance with the existing conditions. Our independent audit process also involves an assessment of the appropriateness of presenting the accounting policies adopted by Group management and the important accounting predictions as well as the consolidated financial statements as a whole.
We are content that the independent audit evidences we obtained during our independent audit process serve as a sufficient and appropriate basis for forming our conclusions regarding the financial situation of the company.

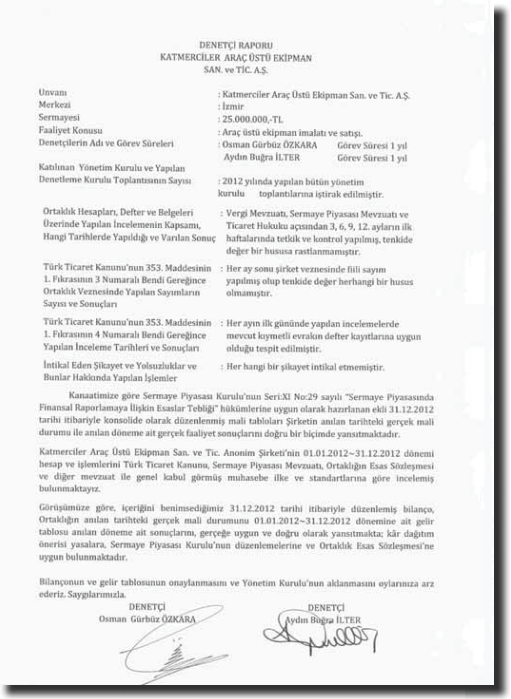
CONCLUSION
4. In our view, as per the financial reporting standards of the Capital Markets Board; the attached consolidated financial tables reflect in an accurate and fair manner, the real consolidated financial status of Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. and its affiliates as of 31 December 2012 and their financial performance and consolidated cash flow for the financial year ending on the same date.

İstanbul, 12 April 2013

AC İSTANBUL ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.

Member of ENTERPRISE WORLDWIDE

Cemal ÖZTÜRK
Chief Auditor-Partner



DENETÇİ RAPORU
KATMERCİLER ARAÇ ÜSTÜ EKİPMAN
SAN. ve TİC. A.Ş.

Unvanı	: Katmerciler Araç Üstü Ekipman San. ve Tic. A.Ş.
Merkezi	: İzmir
Sermayesi	: 25.000.000,-TL
Faaliyet Konusu	: Araç üstü ekipman imalatı ve satışı.
Denetçilerin Adı ve Görev Süreleri	: Osman Gürbüz ÖZKARA Görev Süresi 1 yıl Aydın Buğra İLTER Görev Süresi 1 yıl
Katılınan Yönetim Kurulu ve Yapılan Denetleme Kurulu Toplantısının Sayısı	: 2012 yılında yapılan bütün yönetim kurulu toplantılarına iştirak edilmiştir.
Ortaklık Hesapları, Defter ve Belgeleri Üzerinde Yapılan İncelemenin Kapsamı, Hangi Tarihlerde Yapıldığı ve Varılan Sonuç	: Vergi Mevzuatı, Sermaye Piyasası Mevzuatı ve Ticaret Hukuku açısından 3, 6, 9, 12. ayların ilk haftalarında tetkik ve kontrol yapılmış, tenkide değer bir hususa rastlanmamıştır.
Türk Ticaret Kanunu'nun 353. Maddesinin 1. Fıkrasının 3 Numaralı Bendi Gereğince Ortaklık Veznesinde Yapılan Sayımların Sayısı ve Sonuçları	: Her ay sonu şirket veznesinde fiili sayım yapılmış olup tenkide değer herhangi bir husus olmamıştır.
Türk Ticaret Kanunu'nun 353. Maddesinin 1. Fıkrasının 4 Numaralı Bendi Gereğince Yapılan İnceleme Tarihleri ve Sonuçları	: Her ayın ilk gününde yapılan incelemelerde mevcut kıymetli evrakın defter kayıtlarına uygun olduğu tespit edilmiştir.
İntikal Eden Şikayet ve Yolsuzluklar ve Bunlar Hakkında Yapılan İşlemler	: Her hangi bir şikayet intikal etmemiştir.

Kanaatimize göre Sermaye Piyasası Kurulu'nun Seri:XI No:29 sayılı "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" hükümlerine uygun olarak hazırlanan ekli 31.12.2012 tarihi itibariyle konsolide olarak düzenlenmiş mali tabloları Şirketin anılan tarihteki gerçek mali durumu ile anılan döneme ait gerçek faaliyet sonuçlarını doğru bir biçimde yansıtmaktadır.

Katmerciler Araç Üstü Ekipman San. ve Tic. Anonim Şirketi'nin 01.01.2012–31.12.2012 dönemi hesap ve işlemlerini Türk Ticaret Kanunu, Sermaye Piyasası Mevzuatı, Ortaklığın Esas Sözleşmesi ve diğer mevzuat ile genel kabul görmüş muhasebe ilke ve standartlarına göre incelemiş bulunmaktayız.

Görüşümüze göre, içeriğini benimsediğimiz 31.12.2012 tarihi itibariyle düzenlemiş bilanço, Ortaklığın anılan tarihteki gerçek mali durumunu 01.01.2012–31.12.2012 dönemine ait gelir tablosu anılan döneme ait sonuçlarını, gerçeğe uygun ve doğru olarak yansıtmakta; kâr dağıtım önerisi yasalara, Sermaye Piyasası Kurulu'nun düzenlemelerine ve Ortaklık Esas Sözleşmesi'ne uygun bulunmaktadır.

Bilançonun ve gelir tablosunun onaylanmasını ve Yönetim Kurulu'nun aklanmasını oylarınıza arz ederiz. Saygılarımızla.

DENETÇİ
Osman Gürbüz ÖZKARA

DENETÇİ
Aydın Buğra İLTER

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

1 JANUARY 2012- 31 DECEMBER 2012

CONTENTS

CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2012

** All amounts are indicated in Turkish Lira (TL)*

ASSETS	ANNOTATION REFERENCES	INDEPENDENTLY AUDITED PERIOD 31.12.2012	INDEPENDENTLY AUDITED PERIOD 31.12.2011
CURRENT ASSETS		**122,899,156**	**91,938,485**
Cash and Cash Equivalents	6	2,902,259	5,360,843
Trade Receivables		59,660,831	31,494,183
Receivables from Related Parties	10.37	2,718,069	18,342
Other trade Receivables Parties	10	56,942,762	31,475,841
Other Receivables Parties	11	5,134,501	1,813,250
Reserves	13	43,565,831	43,762,638
Deferred Tax Assets	35	469,460	
Other Current Assets	26	11,166,274	9,507,571
FIXED ASSETS		30,058,810	26,173,500
Other Receivables		21,600	17,226
Investment Properties	17	5,456,211	5,456,211
Tangible Fixed Assets	18	19,771,079	18,234,585
Intangible Fixed Assets	19	1,301,740	233,202
Goodwill	20	1,759,039	1,759,039
Deferred Tax Assets	35	-	61,823
Other Tangible Assets	26	1,749,141	411,414
TOTAL ASSETS		152,957,966	118,111,985

RESOURCES	ANNOTATION REFERENCES	INDEPENDENTLY AUDITED PERIOD 31.12.2012	INDEPENDENTLY AUDITED PERIOD 31.12.2011
SHORT TERM LIABILITIES		**95,239,028**	**75,537,711**
Financial Liabilities		48,641,066	29,137,410
Commercial Liabilities		**35,572,046**	**22,827,113**
Commercial Liabilities to Related Parties	10.37	110,213	-
Other Commercial Liabilities	10	35,461,833	22,827,113
Other Liabilities		2,516,141	1,561,886
Period Income Tax Liability	35	29,005	-
Provisions for Liabilities	22	584,876	481,693
Deferred Tax Liabilities	35	584,816	
Other Short Term Liabilities	26	7,311,078	21,529,609
LONG TERM LIABILITIES		17,395,088	12,682,603
Financial Liabilities	8	13,874,789	10,238,191
Other Liabilities	11	-	338,854
Provisions for Employee Benefits	24	1,135,191	929,211
Deferred Tax Liabilities	35	-	1,176,347
Other Short Term Liabilities	26	2,385,108	-
EQUITY CAPITAL		40,323,850	29,891,671
Equities Belonging to the Parent Company		**38,945,271**	**29,751,844**
Paid Capital	27	25,000,000	25,000,000
Restricted Profit Reserves	27	1,162,896	1,005,557
Special Funds	27	-	221,364
Previous Years' Profit / Loss	27	3,511,201	1,126,316
Net Profit/Loss for the Period		9,271,174	2,398,607
Minority Interest	**27**	**1,378,579**	**139,827**
TOTAL RESOURCES		152,957,966	118,111,985

Notes are supplemantary part of the financial statements' attached.

CONSOLIDATED INCOME STATEMENT (TL) AS OF 31 DECEMBER 2012

** All amounts are indicated in Turkish Lira (TL)*

	ANNOTATION REFERENCES	INDEPENDENTLY AUDITED PERIOD 31.12.2012	INDEPENDENTLY AUDITED PERIOD 31.12.2011
ONGOING BUSINESSES			
Sales Revenue	28	153,115,333	85,703,966
Cost of Sales (-)	28	(121,383,149)	(66,510,819)
GROSS PROFIT / LOSS		31,732,184	19,193,147
Research and Development Costs (-)		-	-
Marketing, Sales and Distribution Costs (-)	29	(12,232,096)	(5,219,676)
General Administration Costs (-)	29	(6,424,276)	(3,577,829)
Other Business Income	31	2,349,190	1,075,382
Other Business Expenditures (-)	31	(1,793,132)	(3,413,589)
FINANCIAL PROFIT / (LOSS)		13,631,870	8,057,435
Financial Revenues	32	10,500,949	4,932,051
Financial Costs (-)	33	(11,662,498)	(9,297,227)
ONGOING BUSINESS PRETAX PROFIT / LOSS		12,470,321	3,692,259
Ongoing Business Tax Revenues / (Costs)		**(3,199,147)**	**(1,293,652)**
Net period Income / (cost)	35	(3,083,791)	(1,217,786)
Deferred Tax Income / (cost)	35	(115,356)	(75,866)
Distribution of Net Period Income / (Loss)		9,271,174	2,398,607
Minority Shares	27	(888,911)	(72,120)
Parent Company Shares	27	10,160,085	2,470,727
Earnings per Share from ongoing Businesses		**0.41**	**0.20**
Diluted Earnings per Share from Ongoing Businesses		**0.41**	**0.16**

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİC. A.Ş. AND AFFILIATE PARTNERSHIPS CONSOLIDATED INCOME STATEMENT FOR THE ACCOUNTING PERIOD FINALIZED ON 31.12.2012

NET PERIOD PROFIT / (LOSS)	INDEPENDENTLY AUDITED PERIOD 31.12.2012	INDEPENDENTLY AUDITED PERIOD 31.12.2011
Other Comprehensive Income	-	-
Change in Financial Assets Value Reserve	-	-
Change Fixed Assets Value Reserve	-	-
Change in Hedge Fund Value Reserve	-	-
Change In Foreign Currency Translation	-	-
Actuarial Gains and Losses on Pension Plans	-	-
Share of Other Comprehensive Income of Associates	-	-
Tax Relating to Components of Other Comprehensive Income / (Expenditure)	-	-
	-	-
OTHER AFTER-TAX COMPREHENSIVE INCOME	9,271,174	2,398,607
OTHER COMPREHENSIVE INCOME	9,271,174	2,398,607

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND AFFILIATE PARTNERSHIPS

CONSOLIDATED EQUITY CHANGE STATEMENT DATED 31.12.2012 AND 31.12.2011

	CAPITAL	SHARE PREMIUMS	LEGAL RESERVES	EXTRAORD. RESERVES	SPECIAL FUNDS	ACCUMULATED PROFIT / LOSS	NET PERIOD PROFIT / LOSS	PARENT COMPANY SHAREHOLDERS' EQUITY	MINORITY SHARES	TOTAL
BALANCE AS PER 01 JANUARY 2011	12.500.000	6.005.230	578.421	170.774	-	(927.968)	8.011.228	26.337.685	136.160	26.473.845
Capital Increase	12.500.000	(6.005.230)	-	(6.494.770)	-	-	-	-	-	-
Legal Reserves	-	-	427.136	-	-	(427.136)	-	-	-	-
Extraordinary Reserves	-	-	-	7.450.302	-	(7.450.302)	-	-	-	-
Special Funds	-	-	-	-	221.364	-	-	221.364	-	221.364
IAS – Sourced Modification	-	-	-	-	-	794.188	-	794.188	3.667	797.855
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Transfer to restricted reserves	-	-	-	-	-	8.011.228	(8.011.228)	-	-	-
Net Period Profit	-	-	-	-	-	-	2.398.607	2.398.607	-	2.398.607
Minority Shares	-	-	-	-	-	-	-	-	-	-
BALANCE AS PER 31 DECEMBER 2011	25.000.000	-	1.005.557	1.126.306	221.364	10	2.398.607	29.751.844	139.827	29.891.671
BALANCE AS PER 01 JANUARY2012	25.000.000	-	1.005.557	1.126.306	221.364	10	2.398.607	29.751.844	139.827	29.891.671
Capital Increase	-	-	-	-	-	-	-	-	-	-
Legal Reserves	-	-	157.339	-	-	(157.339)	-	-	-	-
Extraordinary Reserves	-	-	-	-	-	-	-	-	-	-
Special Funds	-	-	-	-	(221.364)	221.364	-	-	-	-
IAS – Sourced Modification	-	-	-	-		(77.748)	-	(77.748)	-	(77.748,00)
Transfer to retained earnings	-	-	-	-	-	2.398.607	(2.398.607)	-	-	-
Net Period Profit	-	-	-	-	-	-	9.271.174	9.271.174	-	9.271.174
Minority Share of the Company included in the consolidation	-	-	-	-	-	-	-	-	1.238.752	1.238.752
BALANCE AS PER 31 DECEMBER 2012	25.000.000	-	1.162.896	1.126.306	-	2.384.895	9.271.174	38.945.271	1.378.579	40.323.850

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SAN. VE TİC. A.Ş. AND AFFILIATE PARTNERSHIPS

INDEPENDENTLY AUDITED CONSOLIDATED CASH-FLOW STATEMENTS DATED 31.12.2012

** All amounts are indicated in Turkish Lira (TL)*

	ANNOTATION REFERENCES	INDEPENDENTLY AUDITED PERIOD 31.12.2012	INDEPENDENTLY AUDITED PERIOD 31.12.2011
CASH EARNED FROM OPERATING ACTIVITIES			
PERIOD NET PROFIT		9.271.174	2.398.607
CASH EARNED FROM OPERATING ACTIVITIES PERIOD NET PROFIT			
Amortization and Redemption	18, 19	894.470	514.965
Fixed Assets Sales Profit / (Loss)	31	(95.787)	564.989
Increase in Provision for Severence Payments	24	205.980	246.016
Interest Income (-)	32	(223.139)	(152.243)
Interest Cost	33	128.271	-
Deferred Tax	35	115.356	75.866
Exchange Difference Income		(2.069.592)	(1.103.174)
Exchange Difference Cost		1.727.206	985.330
Provisions for Bad Debt	10	118.359	943.840
Provision for Warranty Cost	22	257.629	160.740
Provision for Vocation Payment / Cancellation of Provision for Vocation Payment	22	327.247	320.953
Provision for Inventories	13	-	137.829
Cancellation of provision for Inventories (-)	13	(137.829)	(147.250)
CASH FLOW USED IN BUSINESS OPERATIONS PRIOR TO CHANGES IN THE ASSESTS AND LIABILITIES OF THE BUSINESS		10.519.344	4.946.467
Decrease/(Increase) in Short term Trade Receivables	10	(25.466.921)	(16.718.064)
Decrease/(Increase) in Reserves	13	196.807	(32.345.958)
Decrease/(Increase) in Other Short term Receivables	11	(3.321.251)	(350.772)
Decrease/(Increase) in Other Current Assets	26	(1.658.703)	(4.687.961)
Decrease/(Increase) in Short term Trade Receivables	10	12.634.720	12.152.632
Decrease/(Increase) in Trade Receivables from Related Parties	37	(2.699.727)	(18.342)
Decrease/(Increase) in Leasing Payables	37	110.213	-
Decrease/(Increase) in Receivables from Related Parties		736.625	(32.794)
Decrease/(increase) in Provisions for Short Term Receivables	8	3.792.964	-
Decrease/(Increase) in Receivables from Related Parties	37	-	4.416.064
Decrease/(Increase) in Short term Trade Receivables	22	103.183	104.815
Decrease/(Increase) in Other Short Term Liabilities	11	954.255	(440.846)
Decrease/(Increase) in Other Short Term Liabilities	26	(14.218.531)	17.156.458
Decrease/(Increase) in Tax Provisions	35	29.005	-
Paid Tax		(88.351)	(2.387.689)
Decrease/(Increase) in Other Long Term Liabilities		2.385.108	-
Paid Severence Payments	24	(305.873)	(305.966)

	ANNOTATION REFERENCES		
CASH-FLOW USED IN INVESTMENT ACTIVITIES – NET:		(16.297.133)	(18.511.956)
Investing Activities			
Tangible / Intangible Fixed asset purchases	18	(10.012.730)	(8.374.939)
Proceeds from fixed assets sold		315.050	1.717.950
Net cash used in investing activities		(9.697.681)	(6.656.989)
Capital Increase		-	-
Share Premium		-	-
Long and Short Term Credit Usage		126.311.584	69.893.781
Payment of Short/Long term Bank Loans		(100.821.857)	(41.374.434)
Collected Interest	32	1.361.314	826.209
Paid Interest		(3.314.811)	(890.207)
CASH-FLOW USED IN FINANCING ACTIVITIES – NET:		23.536.231	28.455.348
Decrease/(Increase) in Cash and Cash Equivalents		(2.458.583)	3.286.404
CASH AND CASH EQUIVALENTS AT PERIOD BEGINNING	6	5.360.843	2.074.438
CASH AND CASH EQUIVALENTS AT PERIOD END	6	2.902.259	5.360.843

Notes are supplemantary part of the financial statements' attached.

NOTE : 1

COMPANY'S ORGANIZATION AND NATURE OF ACTIVITIES

Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. (Parent company) and two subsidiaries and affiliates form Katmerciler Group.

The Company was established by İsmail Katmerci, in 1985. The Company's subject of activity is all sorts of on vehicle equipment production. As of balance sheet date, İsmail Katmerci owns 58% of company shares and maintains administration.

COMPANY'S HEAD OFFICE ADDRESS AND PARTNERSHIP STRUCTURE

The Company's partnership structure is presented in Annotation 27. The Company is registered in Turkey. Contact details of the Company are as below:

Atatürk Organize Sanayi Bölgesi 10032 Sokak No:10 Çiğli/İZMIR
Tel: 0 232 376 75 75 (6 lines)
Fax: 0 232 376 85 81
http://www.katmerciler.com.tr

As of 31.12.2012, the Group's personnel is composed of 354 employees (31.12.2011 – 302 employees); 71 of whom are management staff, the rest of which are 283 blue-collar workers.

AFFILIATES	SUBJECT OF ACTIVITY	31 DEC 2012	31 DEC 2011
Katmerciler Profil Sanayi ve Ticaret A.Ş.	Painting Work	93.33	93.33
Isıpan Otomotiv ve Üst Ekipman Metal Makine San. ve Tic. A.Ş.	Welding Process	95.67	95.67
GimKat Araç Üstü Ekipman Sanayi ve Ticaret A.Ş.	On Vehicle Equipment production	49.99	49.99

APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The attached consolidated financial statements have been approved for release on 12.04.2013 by the company's Board of Directors. As per the provisions of the Turkish Code of Commerce, because the financial statements do not become effective before approval by the General Assembly, company's Board of Directors has the authority to make amendments to the financial statements.

NOTE: 2

PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS

2.1 MAIN PRINCIPLES REGARDING PRESENTATION

ACCOUNTING STANDARDS USED

The group keeps its accounting records and financial statements in accordance with the accounting principles set forth in the Turkish code of commerce and the relevant tax legislation.

Financial statements and related footnotes are prepared in accordance with the Capital Markets Board Communiqué Serial: XI Nr: 29 titled 'principles of financial reporting in the capital markets' released on 9 April 2008 (to be referred to as 'CMB Accounting standards' from here onwards) and are presented in accordance with the mandatory formats set for by the decision-making authority of CMB.

According to article 5 of the accounting standards of CMB, businesses are required to implement IFRS in the format as accepted by EU. However, in accordance with the provisional close numbered 2 of the CMB accounting standards, implementation of Article 5 has been deferred by the Turkish Accounting and Auditing Standards Board (TAASB) (TAASB was closed 'n November 2011 and its responsibilities and duties were transferred to Public Oversight Accounting and Auditing Standards Authority) until the announcement of differences between the IFRS accepted by EU and the International Accounting Standards Board (IASB).

Thus, the Group prepared its consolidated financial tables for the financial year ending on 31 December 2012 as per the Turkish Financial Reporting Standards which are accepted by IASB and comply with the IFRS standards. Consolidated financial tables are prepared on the basis of historic cost principle accept for revaluation of land and buildings.

There are no significant seasonal changes to make a significant impact on the operations of the group.

CURRENCY UNIT USED

Consolidated financial tables of the group are presented based on the currency unit (functional currency unit) effective in the comic environment where the group carries out its operations. The financial status and operational results of the group are presented in Turkish Liras which is the basic currency unit used for the consolidated financial tables and which is the effective currency in the country.

TERMINATION OF THE USE OF INFLATION ACCOUNTING

With its decision made on 17 March 2005 CMB announced that, effective from 1 January 2005, companies which prepare their financial tables in accordance with CMB legislation and which operate in Turkey will not be required to use inflation accounting. As a result, the IAS 29 standard titled 'financial reporting in economies with high inflation' published by IASB was not applied to the consolidated financial tables starting from 1 January 2005.

COMPARATIVE INFORMATION

In order to allow for assessments of financial situation and performance trends, the consolidated financial statements of the group are prepared as being comparable to the previous financial years. When necessary comparative information will be reset and measures differences will be explained with the goal of achieving uniformity with consolidated financial tables of the current period.

GOING CONCERN

Consolidated financial tables are prepared in accordance with the rule of 'going concern' with the assumption that the group's activities will continue as usual during the financial year ahead and that the group will continue to fulfill its liabilities.

OFFSETTING

Financial assets and liabilities will be shown, in the financial statements, with their net values when there is a legal right for offsetting, in case of net payment, or when collection is possible or acquisition of the assets and fulfillment of the liability can happen concurrently.

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND THE RELATED COMMENTS

Accounting policies taken as basis for preparation of the consolidated financial tables related to the financial year ending 1 December 2012 are applied in accordance with the new and revised standards that became effective 1 January 1 2012 as well as with the ones used in the previous years except for the IFRSC comments. The impact of these standards and the comments on the group's financial position and performance are explained in the relevant paragraphs.

The new standards, amendments and comments that became effective as of 1 January 2012 are as follows:

IAS 12 Income Tax – Recovery of Assets Taken as Basis (Amendments)

IAS 12, i) as rebuttable presumption, calculation of the deferred taxes on fair value measurement of real estates with investment purposes which may be regained through sale of the carrying amount of the real estate in accordance with scope of IAS 40 and ii) updated that the deferred taxes on non-depreciable assets that are measured by the reevaluation model stated on IAS 16 should always be calculated in accordance with the principle of sale. It is not necessary to apply the amendments retrospectively. The amendment does not have any effect on the financial status and performance of the Group.

IFRS 7 Financial Instruments: Statements – Improved Derecognition Statement Liabilities (Amendment)

The reason for the amendment is to insure a better understanding for the readers of the financial statements about the transfers of the financial assets (such as securitization) – including the probable risks which may be on the part of the party transferring the financial assets–. In addition this amendment, requires additional statements to be made since it has been made at the end of account period of transfer of disproportionate financial assets. It is not necessary to make comparative statements. The amendment only effects the principals of the statement and will not have any effect on the financial status nor performance of the Group.

Standards That Have Been Published but not Entered Into Force and Not Transferred Into Practice Aforetime

The new standards, commentaries and amendments that are published as from the date of consolidated financial statements however, have not yet entered into force for the current reporting period and which have not transferred into practice aforetime by the Group are stated below. Unless indicated otherwise, the Group will make the necessary amendments that may effect the consolidated financial statements and the footnotes, after the new standards and commentaries are entered into force.

IAS 1 Presentation of the Financial Statements (Amendment) – Presentation of the Elements of Other Statements of Comprehensive Income

Amendments are valid for the annual account periods starting from July 1, 2013 and onwards. Only the grouping of the items demonstrated on the other statements of comprehensive income are changed with the amendments. The items which may be classified (or may be turned back) on the statement of income at a future date will be demonstrated separately from the items which will not be classified. The amendments will be applied retrospectively. The amendment will effect only the principals of the presentation and will not have any effect on the financial status or performance of the Group.

IAS 19 Employee Benefits (Amendment)

Amendments are valid for the annual account periods starting from January 1, 2013 and onwards and earlier applications are allowed. Besides some exceptions, amendments will be applied retrospectively. Within the amendment done on the standards, many topics are clarified and many topics are modified in application. The most important ones among the many amendments that were made are as follows; removal of the application of defined benefit obligation corridor mechanism, representation of defined actuarial profit / loss under the other comprehensive income and determination of differentiation of short and long term social rights of employees not in accordance with desert of employee principle any more but in accordance with estimated due date of the obligation.

IAS 27 Individual Financial Statements (Amendment)

As a result of publication of IFRS 10 and IFRS 12, there have been some amendments on IASB IAS 27. As a result of these amendments, IAS 27 only includes the topics of accounting recognition of affiliate companies, collectively controlled companies and affiliates on individual financial statements. Transfer clauses of these amendments are same as IFRS 10. Aforementioned amendment is not expected to have any effect on financial status and performance of the Group.

IAS 28 Investments of Affiliates and Business Partnerships (Amendment)

As a result of publication of IFRS 11 and IFRS 12, there have been some amendments on IASB IAS 28 and the name of the standard is changed to Investments of Affiliates and Business Partners on IAS 28. Accounting recognition with equity method for business partnerships is put into practice, in addition to affiliates with the amendments made. The transfer clauses of these amendments are same as IFRS 11. Aforementioned amendments is not expected to have any effect on financial status and performance of the Group.

IAS 32 Financial Instruments: Presentation – Finalizing Financial Assets and Liabilities (Amendment)

The amendment clarifies the meaning of the statement 'current legal right being present about finalizing accounting amounts' and also clarifies the application area of systems that does not materialize simultaneously with the IAS 32 finalizing principle and gross receipt settling accounts (such as clearing offices). Amendments will be applied retrospectively starting from January 1, 2014 and will be valid for annual accounting periods as of the date stated. Aforementioned amendments is not expected to have any significant effect on financial status and performance of the Group.

IFRS 7 Financial Instruments: Statements – Finalizing Financial Assets and Liabilities (Amendment)

Statements Made for Financial Statement Users

i) Beneficial information is presented in order to evaluate the effects and probable effects of the finalizing operations on the financial status of the company and

ii)To compare and analyze the financial statements that are prepared in accordance with IFRS and other well accepted accounting principles.

Amendments are valid for the annual account periods starting from January 1, 2013 and also for interim periods within. Amendment only effects the principals of the statement and will not have any effect on the financial status or performance of the Group.

IFRS 9 Financial Instruments – Classification and Statement

The new standard which was made with the December 2011 dated amendment will be valid for the annual account periods starting from January 1, 2015 and onwards. The first phase of IFRS 9 Financial Instruments standard brings new provisions about measurement and classification of financial assets and liabilities. Amendments made on IFRS 9 will primarily effect the measurement of financial liabilities and which are classified with the measurement by projecting the difference between classification and measurement of financial liabilities and fair value to profit and loss. Fair value differences of these kind of financial liabilities that are related to credit risk should be presented on the other statement of comprehensive income. Earlier application of the standard is allowed. This standard has not been approved by European Union yet. Group is evaluating the effects that the standard may have on the financial status and performance on the Group.

IFRS 10 Consolidated Financial Statements

Standard will be valid for the annual account periods that end on and after January 1, 2014 and amendments will be applied retrospectively with various arrangements. Earlier application is allowed provided that IFRS 11 Collective Regulations and IFRS 12 Investments of Other Companies Statements standards applied simultaneously.

IAS 27 replaced the part related to consolidation of Consolidated and Individual Financial Statements. A new "control" is defined to be used in determination of which companies to be consolidated. This is a principal based standard that leaves more space for author of financial statements to decide on. Aforementioned standard is not expected to have any effect on financial status or performance of the Group.

IFRS 11 Joint Regulations

Standard is valid for annual account periods that end on and after January 1, 2014 and amendments will be applied retrospectively with various arrangements. Earlier application is allowed provided that IFRS 10 Consolidated Financial Statements and IFRS 12 Investments of Other Companies Statements applied simultaneously.

Standard regulates how accounting recognition of jointly managed business partnerships and joint activities. Within the context of the new standard, business partners are not allowed to be subject to proportional consolidation. Aforementioned standard standard is not expected to have any effect on financial status or performance of the Group.

IFRS 12 Investment Statements at Other Companies

Standard is valid for annual account periods that end on and after January 1, 2014 and amendments will be applied retrospectively with various arrangements. Earlier application is allowed provided that IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Regulations applied simultaneously.

IFRS 12 constitutes all the explanations and footnotes about consolidated financial statements that used to take part in IAS Consolidated and Individual Financial Statements and about affiliates, business partnerships, Affiliated Partners and structural companies that rank among IAS 31 Business Partnership Shares and IAS 28 Investments of Affiliates. Aforementioned standard is not expected to have any effect on financial status or performance of the Group.

IFRS 13 Fair Value Measurement

New standard states how the measurement of fair value will be made in accordance with IFRS, it does not bring any amendment to the issues about when fair value will be used and/or how fair value should be used. New standard also brings some additional statement liabilities about measurement of fair value measurements.

Application of this standard on the account periods that end on and after January 1, 2013 is obligatory and also will be applied forwardly. Early application is allowed. It is only necessary to give the new statements strating from the date IFRS 13 started to be applied – meaning that comparative statement with previous periods is not necessary. Group does not expect standard to have any effect on financial status and performance of the Group.

IFRICs International Financial Reporting Interpretations Committee Comments

It will enter into force for the financial periods that starts on and after January 1, 2013 and early application is also allowed. The companies will have to apply the necessities of this commentary to the excavation costs at production level starting from the period that is presented comparatively.

Commentary clarifies when and under which circumstances excavation at production level accounts as assets, first registration of the accounted asset and how it will be measured next periods. Aforementioned commentary is not valid for the Group and it is not expected to have any effect on financial status or performance of the group.

Implementation Guidance (IFRS 10, IFRS 11 ve IFRS 12 amendment)

Amendment is valid for the annual account periods that start on and after January 1, 2013. The amendments were only done on implementation guidance in order to resolve the necessity to make retrospective readjustments. First application date is defined as "the start of the annual account period that IFRS 10 is applied for the first time."

The evaluation whether there is control or not will be applied at the first exercise date instead of the beginning of comparative presentation period. If the control evaluation done in accordance with IFRS 10 is different from the evaluation done in accordance with IAS 27/ TAASB 12, retrospective readjustment effects should be determined. However, if the control evaluation is the same no retrospective adjustments are necessary.

If there is more than one comparative period is represented, retrospective readjustment of only one period is allowed. IASB has made adjustments on implementation guidance of IFRS 11 and IFRS 12 for the same reason and transfer provisions became easier. This adjustment has not been approved by European Union yet. Group does not expect this amendment to have any effect on financial status or performance.

Improvements in IFRS

IASB has published Annual IFRS Amendments for 2009–2011 period including adjustments in current standards. Within the scope of annual amendments there are necessary but not urgent adjustments. Validation time of the amendments start by the annual account periods starting from January 1, 2013. Earlier application is allowed provided that necessary statements presented. This project has not been approved by European Union yet. Aforementioned project is not expected to have significant effects on financial status and performance of the group.

IAS 1 Presentation of Financial Statements:

The difference between the arbitrary comparative additional information and obligatory minimum presentation of comparative information is clarified.

IAS 16 Tangible Assets:

It is clarified that there is no stock for spare parts and maintenance equipment that fall under the definition of tangible assets.

IAS 32 Financial Instruments: Presentation:

It is clarified that the accounting recognition of the tax effects on the distribution done on the shareholders should be within the scope of IAS 12. Amendment disassembles the current liabilities of IAS 32 and requires that every kind of income tax arisen from the distribution done to the shareholders to be accounted in accordance with the provisions of IAS 12.

IAS 34 Interim Period Financial Reporting:

The statements about total segment assets and liabilities related with the activities section of IAS 34 were clarified. Total assets and liabilities of activities section should only be announced if this information is being reported to competent authority to make a decision about the activities of the company and if only there is a significant difference between the total number announced and the previous year's annual financial statement.

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 standard has been changed to bring an exception for companies that fall under the description of investment companies should be exempted from the provisions of consolidation. It is required for the investment companies to account the subsidiary partners within the frame of IFRS 9 Financial Instruments Standard provisions with the fair value in accordance with the exception of the consolidation provisions.

Amendment is valid for the annual account periods that end on and after January 1, 2014 and early application is allowed. This amendment is not yet accepted by European Union. Aforementioned amendment is not expected to have any effect on financial status and performance of the Group.

CONSOLIDATION PRINCIPALS

Subsidiary Companies

Subsidiary Companies are the companies that have more than 50 percent share, voting power or right of choice of management majority within the frame of capital or management relations, either directly or by means of other Subsidiary Companies. The Group has a share of operating results, depending on having the power to execute the financial and operational policies of the companies that are in the position of Subsidiary Companies. Aforementioned Subsidiary Companies whose details are submitted in the footnote of number 1 balance sheet are subject to full consolidation.

Subsidiary Company 1:

Company has the 93,33 percent of the shares representing Katmerciler Profil Industry and Commerce Inc. The company operates in painting craftsmanship. Katmerciler Profil Industry and Commerce Inc. is doing painting craftsmanship at the address 10032 Street No: 10 AOSB İzmir. There is no change in the share percentage as compared with the previous year.

SHARE AMOUNT (TL)	AND RATIO OF THE SHARE (%)		
Katmerciler Profil Industry and Commerce Inc.	500.000	466.667	93,33

Subsidiary Company 2:

Company has the 95,67 percent of the shares representing Isıpan Automotive and Top Equipment Metal and Machine Industry and Commerce Inc. The company operates in welding craftsmanship. Isıpan Automotive and Top Equipment Metal and Machine Industry and Commerce Inc. is doing welding craftsmanship at the address 10032 Street No: 10 AOSB İzmir. There is no change in the share percentage as compared with the previous year.

THE TITLE	CAPITAL	NOMINAL SHARE AMOUNT (TL)	AND RATIO OF THE SHARE (%)
Isıpan Automotive and Top Equipment Metal and Machine Industry and Commerce Inc.	825.000	789.250	95,67

Subsidiary Company 3:

Company has the 49,99 percent of the shares representing Gimkat Top Instrument Equipment Industry and Commerce Inc. The company operates in top instrument equipment production. Gimkat Top Instrument Equipment Industry and Commerce Inc. is doing top instrument equipment at the address 10032 Street No: 8 AOSB İzmir. There is no change in the share percentage as compared with the previous year.

THE TITLE	CAPITAL	NOMINAL SHARE AMOUNT (TL)	AND RATIO OF THE SHARE (%)
Gimkat Top Instrument Equipment Industry and Commerce Inc.	2.500.000	1.249.998	49,99

Capital shares of Subsidiary Companies that are subject to consolidation as of December 31, 2012 and December 31, 2011 are displayed in Footnote 1. Subsidiary Companies are taken into the scope of consolidation from the date the control over the activities are transferred to the Group. The principles stated below are applied during the formation of the consolidated financial statements:

Full Consolidation Management

Contributed capital and balance sheet items of the Company and Subsidiary Companies are added. During this addition the debits and credits that are subject to consolidation management are reduced.

- Contributed capital of the consolidated balance sheet is the contributed capital of the Company; contributed capital of Subsidiary Company does not take place in consolidated balance sheet.
- Among all equity capital items including contributed/deducted capital of Subsidiary Companies within the scope of consolidation, the amounts falling to the shares outside Parent and Subsidiary Companies have been reduced and is displayed under the name of "Minority Interest" account group after consolidated equity account group. .
- Fixed and floating assets that are purchased by the partnerships that are subject to consolidation management, among themselves have taken place under the consolidated balance

sheet after the necessary adjustments to provide to display them out of acquisition cost of the partnerships that are subject to consolidation management.

▮ Income statement items of the Company and Subsidiary Companies are added separately and product and service sales that are done among the partnerships that are subject to consolidation management were reduced from the total sale figures and sold product costs. Profit arising from the purchase and sale among the partners about the stocks of the partners that are subject to consolidation management is added to the cost of sold product and loss is added to the stocks and also reduced from the cost of the product sold. Revenue and expenditure items that arise from the operations within the partners that are subject to consolidation management appropriated in related accounts reciprocally.

▮ The amount of the shares that are outside the partnerships subject to consolidation management of the net profit or loss of the period for the Subsidiary Companies is displayed under the name of "Minority Interest" account group after the net consolidated profit of the period.

▮ There have been some adjustments in order to make the financial statements of the subsidiary companies appropriate for accounting principles that are applied within the other group companies.

2.2. CHANGES MADE TO THE ACCOUNTING POLICIES

No changes have been made to the accounting policies in a manner that would influence the presentation of the effect of transactions and events regarding the Group's financial status, performance or cash flow status in an appropriate and reliable way. No change is foreseen in the accounting principles currently in practice.

2.3. CHANGES AND ERRORS REGARDING THE ACCOUNTING FORECASTS

If the changes in the accounting forecasts are regarding a single period, it will be made in a way to effect only the current period when the change is made. If the change is realted to future periods it will be made prospectively in a way to effect both the current term and the future terms. No maor change has been made to the accounting forecasts of the Group during the current financial year. Major accounting errors detected will be corrected retrospectively and consolidated financial tables for previous periods will be rearranged accordingly.

2.4. SUMMARY OF IMPORTANT ACCOUNTING POLICIES

Accounting policies as part of IAS/IFRS are the collection of certain principles, traditional practices, rules and practices used by companies for the preparation and presentation of consolidated financial statements.

Revenue

Sales revenue is to be recorded according to the accrual principle, based on the real sales amount collected or to be collected after the product is delivered or the service is provided, important risks or benefits are transferred to the buyer, and after the strong possibility that the revenue amount can be measured reliably and economic benefits regarding the transaction will be transferred to the company. Net sales indicate the billed amount of the product sold or service provided excluding the sales tax and net of returns and commissions (Note 28).

The Group assumes that reliable forecasts can be made after mutual agreement is reached on the below mentioned items with other parties of the transaction:

(a) The enforceable rights of both parties regarding the services to be provided and received by the parties,
(b) Service fee,
(c) Payment type and conditions.

In case an ambiguity related to the collectability of the previously recognized revenue amount arises, the amount that can not be collected or becomes no longer possible to collect, will be reflected to the financial statements as an expense instead of making a correction to the sales amount.

Interest Revenue

Interest Revenue will be accrued to the relevant period based on the interest rate that carries the principle balance and forecasted cash flow to be obtained from the asset in question during its expected life, to the net book value of the asset in question.

Reportinf Financial Information According to Segments

A reportable segment is an industrial segment or a geographical segment, the segment information of which must be disclosed. Industrial segments are different from the other segments of the Group in terms of providing a certain good or service or a group of related goods and services or in terms of risk and benefit. Geographical segments are those segments of the Group that provide goods or services within a defined economic environment and are different from the other segments of the Group that operate within an economic environment that is different in terms of risk and benefit. The Group does not use Geographical segmentation.

Because the group operates in the areas of manufacturing of vehicle-mounted-equipment, industrial painting and industrial welding, the financial information is reported under the titles of manufacturing of vehicle-mounted-equipment, industrial painting and industrial welding based on the structuring of the companies that carry out these operations.

Financial Instruments

Financial Assets

Financial assets other than those that are classified as financial assets, real value differential of which is reflected to profit or loss and which are recognized based on their real value, will be recognized based on the total value of the expenses that can be directly linked to the purchase transaction based on realistic market value. In case of the purchase or sale of financial assets that are bound by a contract that carries a provision for the delivery of the investment instruments within the time period set by the market in question, will be recognized or removed from the accounts on the date of the transaction.

Financial assets are classified as either of the following: "financial assets, fair value differences of which are reflected to profit or loss", "investments to be held until maturity" and "liabilities and receivables". Depending on the purpose of acquisition of the financial asset and its quality, classification is determined during initial recognition. The group has no financial assets, fair value differences of which are reflected to profit or loss or investments to be held until maturity.

Effective interest method

Effective interest method is the method whereby the financial asset is valued based on the amortized cost and the relevant interest income is distributed over the related period. Effective interest rate is the rate that discounts the estimated cash total to be collected during the expected life of the financial instrument or during a shorter period of time when appropriate, to its net current value.

Income related to financial assets classified as those other than financial assets, fair value differences of which are reflected to profit or loss, is calculated using the effective interest method.

Liabilities and Receivables

Trade receivables and other receivables with constant and definite payments, which are not traded in the market and loans, are in this category. Liabilities and receivables are recognized based on the discounted cost by deducting the impairment and using the effective interest method.

Impairment of financial assets

Financial assets or financial asset groups other than those, fair value differences of which are reflected to profit or loss, are evaluated as to the presence of indicators showing that their value depreciated during each balance sheet period. In case one or more events take place after the initial recognition of the financial asset and in case of the existence of an objective indicator as to the depreciation of the relevant financial asset as a result of the negative effect of any of these events on the reliably forecasted future cash flow of the related financial asset or asset group, a depreciation loss takes place. For financial assets recognized based on amortized value, depreciation amount is the difference between its book value and its current value calculated by discounting the estimated future cash flows based on the effective interest rate.

Except for trade receivables book value of which are depreciated via the usage of a reserve account, for all financial assets, depreciation is directly deducted from the recognized value of the relevant financial asset. In case of failure to collect trade receivable, the amount in question is erased by deducting it from the reserve account. Changes in the reserve account are recognized in the income statement.

Except for equity instruments ready to be sold, if the depreciation loss decreased

during the following term and if this decrease can be linked to an event that occurred after the recognition of the depreciation loss took place, depreciation loss previously recognized will be erased from the income statement with the condition that depreciation of the investment on the date of deletion of the depreciation never exceeds the amortized cost it would reach if it had not been recognized in the first place.

Increase in the fair value of equity ready for sale after the depreciation took place, will be recognized directly in the equity.

Cash and Cash Equivalents
Cash and cash equivalent items are cash, current deposits and other short-term investments with maturities 3 months or less from the date of purchase that can be liquidated immediately.

Financial Liabilities
Financial liabilities and equity instruments of the Group are grouped based on arrangement arising from a contract and based on the principle for definition of a financial liability and equity based instrument. The contract that represents the right that remains in the assets of the Group after all debt of the Group is deducted, is the financial instrument based on equity. Accounting policies used for certain financial liabilities and equity based financial instruments are described below.

Financial Liabilities are classified as 'financial liabilities, fair value differences of which are reflected to profit or loss' and 'other financial liabilities'.
Financial liabilities, fair value differences of which are reflected to profit or loss
Financial liabilities, fair value differences of which are reflected to profit or loss are recognized based on their fair value and are revaluated, at the end of every reporting period, based on its fair value on the date of the balance sheet. Fair value difference is recognized in the income statement. Net income or loss recognized in the income statement includes the interest amount paid for the financial liability in question as well.

Other Financial Liabilities
Other financial liabilities, including financial payable, are recognized based on their fair value net from the initial transaction costs.

Other financial liabilities are recognized based on the amortized cost along with interest expense calculated based on the effective interest rate of the following periods, using the effective interest method.

Effective interest method is the method whereby the amortized cost of the financial liability is calculated and the related interest expense is distributed over the related period. Effective interest rate is the rate that discounts the estimated cash payments to be made during the expected life of the financial instrument or during a shorter period of time when appropriate, to its net current value.

Financial leasing
Group as the Lessee

Financial Leasing
Tangible assets acquired via financial leasing are capitalized based on the fair value net of the tax incentives given at the start of the lease period or on the discounted current value of the minimum lease payments at that date, which ever is smaller. Principle lease payments are recognized as liability and decrease as they are paid. On the other hand, interest payments are recognized as expense in the income statement throughout the financial lease period. Tangible assets acquired via financial leasing are subjected to amortization during the useful life of the asset.
Operating Lease
Lease type whereby majority of the risk related to and return on the property belongs to the lessee, is categorized as the operating lease. Payments made in the form of operating lease are entered as expense in the income statement using the linear method during the lease period.

Group as the Lessee
Operating Lessor
Lease income obtained as a result of operating lease, are reflected to the consolidated income statements in equal amounts during the lease period. Lease income is reflected to the consolidated income statement using the linear method during the lease period.

Inventory
It is the item that covers the assets that are hold in stock for sale as part of normal business operations, assets in process for sale later or materials and goods that will be used in the production of products or services. Advance payments made for the orders will be classified as other current assets until the related inventory is recognized.

Inventory is valuated on their costs and net realizable value, which ever is smaller. Cost of inventory covers all purchase costs, conversion costs and other costs incurred for bringing the inventory to its current condition and location. Conversion costs of the inventory covers costs such as direct labor costs that are directly related to the manufacturing process. These costs also cover raw material costs and part of the fixed and variable overhead costs that incurred during conversion of raw material into final product and are systematically distributed.
Net realizable value is obtained by deducting from the expected sales price that emerges from normal commercial activities, the expected completion cost and the total costs to be incurred for realization of the sale. In the financial statements, inventory cannot be recorded with an amount higher than the one expected to be obtained as a result of their usage of sale. When the net realizable value of the inventory falls below its cost, inventory is discounted to its net realizable value and is reflected as expense in the income statement for the year when depreciation occurs. In case the conditions that caused the inventory to be discounted to its net realizable value in the first place are no longer valid or when it is proved that there is an increase in the net realizable value due to changing economic conditions, the depreciation reserve will be erased. The erased amount should be limited to the depreciation value reserved before. (Note 13)

For the calculation of the cost of inventory, "Weighted Average Cost of Inventory" method is used.

Other Assets and Liabilities
Other Current/Fixed Assets
Accounts that are not covered by other assets category in the balance sheet will be covered in the Other Current/Fixed Assets category and these include expenses for the coming months/years and revenue recognition, taxes and funds paid in advance, advance payments for orders, business cash advances, personnel advances, VAT carried forward, other VAT, deductible VAT, stock count and delivery shortages, other various current/fixed assets. (Note 26).

Other Short-term/Long-term Liabilities
Income (deferred income) from coming months and income accruals, stock count and delivery surpluses, and numerous other debt and liability (Note 26).

Investment Property
Investment property is the property owned with the purpose of obtaining rent income and/or appreciation income and are valued first of all based on their original cost and the transaction costs included in that cost. Following their initial recognition, investment property is valued based on a fair value that reflect the market conditions as of the balance sheet date. In case they are sold or become unusable or it is determined that no economic value will be obtained from their sale in the future, investment property are excluded from the balance sheet. Profit/loss accrued as a result of the expiration of the useful life of the investment property or as a result of its sale, is included in the income statement for the period they are realized.

Fair Value Method
Following the initial recognition, the Group chose to use the fair value method and valued all its investment property using the fair value method (Note 17).
Profit or loss that result from the change in the fair value of the investment property is included in the profit or loss of the period it was realized. Transfers are made when there is a change in the usage of investment property. In a transfer from a property investment recognized based on fair value method to an investment recognized as a property used by its owner, its forecasted cost to be used in recognition is its fair value at the time of the change of usage type. In case a property used by its owner is transferred into an investment property to be recognized based on the fair value method, the Business will apply the accounting policy applied to the "Tangible Assets" until the date when the change in usage type happened.

On the other hand property used by the Group itself, is recognized in the tangible assets.

Tangible Assets
The physical items of the Group that expected to be used for more than one period and are owned with the purpose of using them in good or service production, renting to third parties (for tangible assets other than property) or using for administrative purposes are recognized based on their costs.
Cost of tangible assets is the purchase price, import taxes and non-refundable taxes, and expenses incurred in order to make the tangible asset usable. Expenses such as repair and

maintenance that are made after the tangible asset is started to be used, are reported in the income statement as expense in their respective periods. If the expenses made result in an increase in the economic value of the tangible asset during its future use, these expenses are added to the cost of the asset.
Amortization is allocated starting with the year when the tangible assets are ready for use. During the period when these assets remain idle, amortization continues to be allocated.

Economic life and amortization method is constantly reviewed and the method and the amortization period are evaluated to see weather or not they are compatible with the economic benefits to be obtained from the asset in question and adjustments are made accordingly when necessary (Note 18).

Cost Method
For tangible assets, assets are recognized based on the amount net of cumulative amortization based on the original cost and the cumulative depreciation. Assets which are in process of construction for rental purposes or administrative purposes or other purposes currently undefined, are recognized based on their cost net of any depreciation. Legal fee as well are added to the cost. Just like in the amortization method used for other tangible assets, such assets would be subject to amortization when they are ready for use. Cost of tangible assets other than land and investments under construction, are amortized using the linear amortization method based on their expected useful lives. Expected useful life, residual value and the amortization method would be reviewed every year as to the possible effects of changes in forecasts and are recognized prospectively in case of a change in the forecasts.

Profit or loss that results from the sale of tangible assets or decommissioning of a tangible asset is calculated as the difference between the book value of the asset and the sales revenue of the asset and is included in the income statement.

Intangible assets
Intangible assets purchased
Intangible assets that are purchased comprise the computer software that are purchased separately and their licenses.

Intangible assets that are purchased are recognized based in their cost net of accumulated redemption and accumulated depreciation. These assets are amortized using the linear amortization method based on their expected useful life. Expected useful life and the amortization method are reviewed every year in order to determine the changes in the forecasts and the changes in the forecasts are recognized prospectively. The Group has no intangible asset created within the Business.

Exclusion of Intangible Assets from the Balance Sheet
When an intangible asset is sold or when an economic benefit is no longer expected from its use or sale in the future, it will be excluded from the financial statement (the balance sheet). Profit or loss, if any, resulting from the exclusion of an intangible asset from the financial statement (the balance sheet) will be calculated as net amount collected from the sale of the assets and their book value. When this difference is taken out of the financial statement (the balance sheet), it will be recognized in the profit or loss item.

Mergers and Goodwill
Company mergers
Business acquisitions are recognized using the purchasing method. The amount transferred as a result of a company merger is calculated based in its fair value; the transferred amount is calculated as the sum of the fair value of the transferred assets at the date of the merger, the debt incurred towards the owners of the previous owners of the acquired business and the total of the equity shares issued by the acquired business. Costs related to the acquisition are usually recognized at the time of their creation.

Liabilities incurred via the acquired identifiable asset, are recognized, on the date of acquisition based on their fair value. Items mentioned below are not recognized like this:

- Deferred tax assets or liabilities or assets or liabilities related to benefits provided to the employees, are calculated and recognized as per the IAS 12 Income Tax and IAS 19 Employee Benefits standards respectively.
- Liabilities or equity instruments related to the share based payment agreements of the acquired business or the share based payment agreements signed by the Group to replace the existing share based payment agreements of the acquired business are recognized on the date of acquisition as per the IFRS 2 Share Based Payment Agreement standard; and
- Assets (or Sell-out groups) classified as assets kept for sale as per the IFRS 5 Tangible Assets Kept for Sale and Suspended Operations, are recognized as per the rules set forth in IFRS 5.

Goodwill is calculated as the value that exceeds the net amount transferred for the acquisition; value of non-controlling shares, if any, at the acquired business, and the total value of the fair values of the equity shares already owned by the acquiring company in the acquired company during a merger that was completed in phases; and the identifiable assets of the acquired business at the time of acquisition and the incurred identifiable liabilities of the acquired business. If, after the revaluation process, the net value of the identifiable assets of the acquired business at the time of acquisition and the incurred identifiable liabilities of the acquired business on the date of the acquisition exceeds the total of the transferred acquisition amount, non-controlling shares in the acquired business and the total value of the fair values of the equity shares, if any, already owned by the acquiring company in the acquired company, this amount is recognized directly in the profit/loss item as income from acquisition.

In cases where the amount transferred by the Group during an acquisition includes the conditional amount, the conditional amount is measured based on the fair value at the date of acquisition and is added to the amount transferred at the time of acquisition. If adjustments need to be made to the fair value of the conditional amount as a result of the additional information obtained during the evaluation period, this adjustment is made retrospectively to the goodwill amount. Evaluation period is the period after the acquisition, during which the acquiring business may adjust the temporary amounts recognized at the time of acquisition. This period can not be more than 1 year after the acquisition date.

Subsequent recognition transactions made for changes in the fair value of the conditional amount which are not defined as evaluation period adjustments, depend on the classification type applied for the conditional amount. Conditional amount classified as equity is not calculated again and subsequent payment made for this, is recognized in equity.

In case the conditional amount classified as asset or liability is a Financial instrument and is covered by the IAS 39 Financial Instruments: Recognition and Measurement standard, the conditional amount in question is measured based on its fair value and income or loss from the adjustment is recognized in proft or loss or other comprehensive income. Those which are not covered by IAS 39 are recognized as per the IAS 37 Reserves standard or other relevant IFSRs.

In an acquisition process completed in phases, in order to bring the equity share already owned by the acquiring company in the acquired company to its fair value it is measured again on the purchase date (which is the date when the Group took control) and profit/loss, if any, is recognized in the profit/loss item. Amounts resulting from the share of the acquired company, which are recognized in the other comprehensive income item prior to the acquisition date, are transferred to the profit/loss item with the assumption that the shares in question are sold off.

In cases where the acquisition accounting cannot be completed by the end of the reporting period, the Group will report temporary amounts for the items for which accounting process could not be completed. These temporary reported amounts will be adjusted during the measurement period or recognized as excess assets or liabilities in order to reflect the newly acquired information in relation ot the events and circumstances that prevailed on this date and that can have an effect on the amounts recognized on the acquisition date.

Company mergers that took place before 1 January 2010, were recognized as per the accounting principles outlined in the previous version of IFRS 3.

Goodwill
Goodwill amount that results from the acquisition, if any, will be valued based on its cost at the date of acquisition net of depreciation reserves.

For the depreciation test, the Goodwill is distributed over the cash-generating units (or cash generating unit groups) of the Group expecting a benefit from the synergy created by the merger. Cash generating unit to which the goodwill is allocated will be subjected to depreciation test annually. If indicators showing a depreciation for the unit are present, depreciation test would be carried out more frequently. If the recoverable amount of the cash generating unit is less than its book value, the reserve for depreciation is allocated first of all from the goodwill originally allocated to the unit and then it the book value of the assets in the unit are decreased. Depreciation reserve allocated for goodwill is recognized

directly in the profit/loss item in the consolidated income statement. The Reserve allocated for goodwill depreciation can not be cancelled in the subsequent periods.

At the time of the sale of the cash-generating unit in question, the amount given for goodwill is included in the calculation of profit/loss.

Depreciation of Assets
Assets with unlimited life such as goodwill, are not subject to amortization. For these assets, depreciation test is carried out annually. And for the assets subject to amortization, in case the circumstances or events whereby the book value can not be recovered prevail, depreciation test is carried out. In case the book value of the asset exceeds the recoverable amount, deprecation reserve is recorded. Recoverable amount is the fair value obtained after the sales costs are deducted or the value in use whichever is higher. In order to value the depreciation, assets can be grouped (cash-generating units) at the lowest level where cash flows that can be defined separately exist. Non-financial assets other than goodwill which are subject to depreciation, are reviewed during every reporting period for a possible cancellation of the depreciation.

Cost of Borrowing and Acquired Loans
In case of presence of assets which take significant time to prepare for use or sale (qualifying assets), cost of borrowing directly related to their acquisition, construction or manufacturing is added to the cost of the asset until it is ready for use or sale. All other costs of borrowing are entered in the income statement for the period during which they were created. (Note 8).

Effect of Changes in Foreign Exchange Rate
Consolidated financial statements of the Group are presented in the currency unit (functional currency) that is valid in the main economic environment where the Group operates. Financial situation and operating results of the Group are presented in Turkish Liras which is the valid currency for the Group and which is also the currency unit used for the consolidated financial statements.

Transactions in foreign exchange (currency other than Turkish Lira), that were realized during the preparation of the consolidated financial tables of the Group are recognized based on the exchange rates at the date of of the transaction. Foreign exchange indexed monetary assets and liabilities in the balance sheet, are converted to Turkish Liras based on the foreign exchange rate effective on the balance sheet date. Of the non-monetary items recorded with their fair value, those recorded in foreign currency, are converted to Turkish Liras based on the foreign exchange rate on the date when the fair value was calculated. Non-monetary items in foreign currency and measured based on historic cost, are not subjected to re-conversion.

Except for the cases described below, foreign exchange differences are recognized in profit or loss in their respective periods:

● Foreign exchange rate differences that are used as adjustment items for the interest cost on debt which are related to assets under construction for future use and indicated in foreign currency and added to the cost of such assets.

● Foreign exchange rate differences that result from transactions carried out for protection against foreign currency risks (accounting policies for financial protection against risks are described in Note 38),

● Foreign exchange rate differences that result from debt and receivables which are due to foreign business operations, which constitute a portion of the net investment, are recognized in conversion reserves and linked with profit or loss in relation to the sale of net investment and which the company is not planning to pay or for which there is no payment possibility.

Earnings per Share – Earnings Per Share from Continuing Operations
Earning/loss per share is calculated by dividing the profit/loss for the period with the time weighted average number of shares during the period while the earning/loss per share from continuing operations is calculated by dividing the profit/loss for the period with the time weighted average number of shares during the period.

In Turkey, companies can increase their capital through issuing "bonus-shares" from previous years' profits to their shareholders. Issuing such "bonus shares" is treated as issued capital for the calculation of earnings per share. Accordingly, weighted average of the number of shares used in this calculation is determined by taking into consideration the retrospective affects of the issuance of such shares.

For the calculation of earnings per share, there is no preferred stock or a potential share with dilution effect. (Note 36).

Events after the Balance Sheet Date
Events after the Balance Sheet constitute the events that are on behalf of or against the Group, that happen between the balance sheet date and the date when the consolidated financial statements are approved for release. Two events are defined depending on weather or not an adjustment is made:

● Events that require adjustment after the balance sheet is prepared; situations where conditions that indicate proofs as to the existence of relevant events as of the balance sheet date are present,
● Developments showing that relevant events took place after the balance sheet date (events that do not require adjustments after the balance sheet is prepared)

In the consolidated financial statements attached, events that happened after the balance sheet date and require adjustments are taken into consideration and events that do not require adjustments after the balance sheet is prepared are shown in footnotes. (Note 40)

Reserves, Contingent Assets and Contingent Liabilities
Reserves
A reserve is allocated in the financial statements in case of existence of a legal or implied liability resulting from the past events and the possibility of resources that offer economic benefits to leave the company in order to meet the requirements of the liability and in case the liability amount can be forecasted reliably. Reserves are calculated based on the most reliable forecast made by company management, of the expenses to be incurred for meeting the requirements of the liability as of the balance sheet date and would be discounted to its current value when its impact is significant.

Contingent Liabilities
Liabilities which result from past events and presence of which is to be confirmed with the occurrence of one or more uncertain future events which are not under the full control of the company are called contingent liabilities and are not reflected to the financial statements. Because in order to meet the liability there is no possibility for the resources that offer economic benefits to leave the company or the liability amount cannot be measured reliably. Unless the possibility of resources that offer economic benefits to leave the company is too low, the Group does not indicate its contingent liabilities in the footnotes of consolidated financial statements.

Contingent Assets
Assets which result from past events and presence of which is to be confirmed with the occurrence of one or more uncertain events which are not under the full control of the company are called contingent assets. If there is uncertainty about the entrance of resources offering economic benefits to the company, contingent assets are defined in the foot notes of the consolidated financial statements.

In cases where the whole or part of the economic benefits used for payment of the reserve amount is expected to be provided by third parties, the amount to be collected is recognized and reported as an asset when refund of this amount is certain and the amount is reliably calculated (Note 22).

Warranty costs
Warranty costs, repair-maintenance costs for products manufactured and sold by the company, labor and material costs which are not charged to the customer as per the warranty, initial maintenance costs incurred by the company, and the returns in the subsequent years, related to products revenue of which were recorded as revenue in the current period will be recorded in the related period based on the forecasts made according to the past repair and maintenance expense levels.

Related parties
Related parties of the group comprises the institutions which can control or exert significant influence on the other party via shareholding, contract-based right, family relation or similar ways . In the attached consolidated financial statements; shareholders of the Group and the companies owned by these shareholders and their key management personnel and other companies to known to be affiliated to them are defined as related parties.
In case of presence of one of the criteria mentioned below, the party is assumed to have a relationship with the Group:

i) When the party in question does the following directly or indirectly and via one or more middleman:
- To control the Group, be controlled by the Group or;
- To be under the same control with the Group (including main partnerships, affiliated companies, and affiliated companies in the same business area);
- To have a share to allow it to exert control over the Group; or to have common control over the Group;

iii) When the party is a subsidiary of the Group;
iv) When the party is a business partnership in which the Group is a joint venture partner;

v) When the party is a member of the key management personnel of the Group or the joint venture;
vi) When the party is a close relative of any of the individuals defined in articles (i) or (iv);
vii) When the party is a company that is controlled, is under common control or is a company that is under significant influence or is a company where the any of the individuals defined in articles (iv) or (v) has a significant amount of direct or indirect share; or
viii) The party is required to have post-layoff benefit plans for its employees of the business or another business, which is a related party of the business.

The transaction entered into with the related party is the transfer of the resources, services or liabilities between the related parties regardless of weather or not these are against remuneration (Note 37).

Tax calculated based on corporate income
Income tax expense comprises the total of the current tax expense and the deferred tax expense.

Current Tax
Tax liability for the current year is calculated based in the portion of the income for the period that is subject to tax. Taxable income can be taxed in the following years or because it can be taxed with the items that can be deducted from tax or excludes items that can be deducted from tax, it is different from the profit indicated in the income statement. The current tax liability of the Group was calculated using the tax rate which became effective or became effective to a great extent as of the balance sheet date.

Deferred Tax
Deferred tax liability or asset, is determined by calculating, taking into account the effective tax rates, the tax effects of the temporary differences between the amounts of these liabilities or assets shown in consolidated financial tables and their amounts taking into consideration for calculation of the legal tax base. Deferred tax liabilities are calculated for all of the taxable temporary differences while the deferred tax assets comprising discountable temporary differences are calculated with the condition that a high possibility exists for making use of these differences in the future by making taxable profit. The assets and liabilities in question will not be recognized if they result from inclusion for the first time in the consolidated financial statements (except for business mergers), the temporary difference, goodwill or other assets and liabilities that do not effect the business or financial profit or loss.

Deferred tax liabilities
Except for situations for cases where the Group can control the elimination of temporary differences and chances of elimination of these differences in the short term are small, the deferred tax liabilities are calculated for all of the taxable temporary differences linked to investments in subsidiaries or affiliates and the shares in business ventures. Deferred tax assets resulting from taxable temporary differences linked to such investments and shares are calculated with the condition that there is a high probability to make use of these differences in the short term and that there is possibility that related differences can be eliminated in the future.

The book value of the deferred tax asset is to be reviewed on every balance sheet date. The book value of the deferred tax asset is to be decreased to the extent that it is not possible to make a financial profit that would allow for obtaining the benefit to be obtained from the whole or part of the asset.
Deferred tax assets and liabilities are calculated based on the tax rates (tax legislation) which are expected to become effective at the time when assets will be realized or liabilities will be met and which have become legal or have become legal to a great extent as of the balance sheet date.
For the calculation of deferred tax assets and liabilities, the tax implications of the methods forecasted by the Group in order to recover the book value of its assets or to meet its liabilities are taken into account.

Deferred tax assets and liabilities are offset in case of presence of a legal right to offset the current tax liabilities with current tax assets or when the assets and liabilities in question are related to the income tax collected by the same tax authority, or when the company is willing to pay its tax based on the net of its current asset and current tax liabilities.

Current and Deferred Tax for the Period
Tax other than that which is linked to items that are recognized as debit or credit directly inside equity (in this case, deferred tax related to the relevant items is also recognized directly inside equity as well), or other than tax that results from the initial recognition of company mergers, as well as the deferred tax for the period, is recognized as revenue or expense in the income statement. In company mergers, calculation of goodwill or in determining that portion of the share acquired by the acquiring company in the fair value of the asset, liability and conditional debt of the acquired company, which exceeds the cost of purchase, tax effect will be taken into account.

Employee Benefits and Severance Pays
As per the existing laws and collective agreements in Turkey, severance pay is paid in case of retirement or layoff. According to the updated IAS 19 Employee Benefits Standards ("IAS 19"), such payments are described as defined benefit plans.

Severance pay liability recognized in the balance sheet, is calculated based on net discounted current value of the liability amounts expected to be incurred in the future due to retirement of all employees and reflected to the financial statements accordingly (Not 24).

Reporting the Cash Flow
Cash flow statements are prepared in order to provide information to the financial statement users about the changes in the net assets of the group and its ability to direct its financial structure and the amount and timing of its cash flows based on changing circumstances. In the consolidated cash flow statement, cash flows for the period are reported as being classified based on investment and financing costs.
Cash flows resulting from business operations shows the cash flow resulting from the main activities of the Group. Cash flows related to investment activities shows the cash flow that the group obtained from and used in its investment activities (fixed asset investments and financial investments). Cash flow related to financial activities shows the funds that the Group used in its financial activities and the pay-back amounts of these funds. Cash and cash equivalent items covers cash and bank deposit and investments with maturities of 3 months or less which are short term and highly liquid.

E. Important Accounting Valuations, Forecasts and Assumptions
During the preparation of financial statements, Group management needs to make certain assumptions and forecasts that would affect the reported asset and liability amounts and determine the possible liabilities and undertakings expected to take place at the date of balance sheet and the income and expense amounts as of the reporting period. Even though they are based on the most accurate information about the existing events and transactions of the company, these forecasts and assumptions may differ from reality. Forecasts are reviewed on a regular basis and necessary adjustments are made and the respective period when they are realized is reflected to the consolidated income statement.

NOTE: 3
MERGING BUSINESS

None. (31.12.2011 – None.)

NOTE: 4
PARTNERS

None. (31.12.2011 – None.)

NOTE: 5 SEGMENT REPORTING

For managerial accounting purposes, Grup's activity is divided into four main areas of operation namely, Katmerciler Araç Üstü, Gimkat Araç Üstü, Profil and Isıpan. These categories form the basis of financial reporting according to the sections given below.

31.12.2012	Katmerciler Vehicle-mounted	Gimkat Vehicle-mounted	Profil	Isıpan	Condolidation Adjustments	Total
Net sales	158.674.204	9.158.416	1.310.757	1.461.755	(17.489.797)	153.115.333
Cost of Goods Sold (-)	(128.358.846)	(8.951.125)	(1.278.776)	(1.198.528)	18.404.126	(121.383.149)
Gross Profit	30.315.358	207.290	31.980	263.227	914.329	31.732.184
Research and Development Expenses (-)	-	-	-	-	-	-
Marketing, Sales and Distribution Expenses (-)	(11.826.356)	(426.652)	-	-	20.912	(12.232.096)
General Administrative Expenses(-)	(4.557.273)	(1.612.881)	(201.697)	(221.187)	168.763	(6.424.276)
Other Operating Expenses	2.524.872	73.425	815.932	241.098	(1.306.137)	2.349.190
Other Operating Expenses (-)	(1.410.453)	(84.741)	(286.371)	(11.568)	-	(1.793.132)
Operting Profit/Loss	15.046.148	(1.843.559)	359.845	271.570	(202.133)	13.631.871
Financial Income	10.490.024	73.165	41.338	73	(103.651)	10.500.949
Financial Expenses (-)	(11.643.742)	(52.473)	(1.131)	(25.686)	60.534	(11.662.498)
TAX ON CONTINUING OPERATIONS	13.892.430	(1.822.867)	400.051	245.957	(245.250)	12.470.321
Tax Income/(Expense) from Continuing operations						
Tax Income/(Expense) for the period	(3.022.078)	-	(61.713)	-	-	(3.083.791)
Deferred Tax Income/(Expense)	(56.618)	(4.847)	(14.091)	(39.800)	-	(115.356)
NET PROFIT/LOSS FOR THE PERIOD	10.813.734	(1.827.714)	324.247	206.157	(245.250)	9.271.174
Investment spending (Expenses)	-	-	-	-	-	-
Tangible Assets	8.353.347	388.692	-	-	-	8.742.039
Intangible Assets	1.088.229	182.462	-	-	-	1.270.691
TOTAL INVESTMENT SPENDING	9.441.576	571.154	-	-	-	10.012.730
Amortization Expense	595.482	87.177	75.721	668	-	759.048
Redemption	112.082	23.339	-	-	-	135.422
Other Information						
Total Assets	150.208.903	7.591.292	6.030.407	137.265	(11.009.900)	152.957.966
Total Funds	150.208.903	7.591.292	6.030.407	137.265	(11.009.900)	152.957.966

31.12.2011	Katmerciler Vehicle-mounted	Profil	Isıpan	Condolidation Adjustments	Total
Net sales	85.655.987	2.168.872	2.493.428	(4.614.321)	85.703.966
Cost of Goods Sold (-)	(67.127.886)	(1.835.523)	(2.433.727)	4.886.317	(66.510.819)
Gross Profit	18.528.101	333.349	59.700	271.996	19.193.147
Marketing, Sales and Distribution Expenses (-)	-		-		-
Marketing, Sales and Distribution	(5.225.631)		-	5.955	(5.219.676)
General Administrative Expenses(-)	(3.071.139)	(268.768)	(254.702)	16.781	(3.577.829)
Other Operating Expenses	976.585	332.533	50.020	(283.756)	1.075.382
Other Operating Expenses (-)	(1.962.065)	(1.272.147)	(179.377)		(3.413.589)
Operting Profit/Loss	9.245.851	(875.033)	(324.359)	10.976	8.057.435
Financial Income	4.897.940	49.639	6.676	(22.204)	4.932.051
Financial Expenses (-)	(9.262.928)	(208)	(54.990)	20.899	(9.297.227)
TAX ON CONTINUING OPERATIONS	4.880.862	(825.601)	(372.672)	9.671	3.692.259
Tax Income/(Expense) from Continuing operations					
Tax Income/(Expense) for the period	(1.217.786)	-	-	-	(1.217.786)
Deferred Tax Income/(Expense)	(113.555)	33.413	4.276	-	(75.866)
NET PROFIT/LOSS FOR THE PERIOD	3.549.520	(792.188)	(368.396)	9.671	2.398.607
Investment spending (Expenses)	-	-	-	-	-
Tangible Assets	7.185.549	-	-	-	7.185.549
Intangible Assets	117.689	-	-	-	117.689
TOTAL INVESTMENT SPENDING	7.303.238	-	-	-	7.303.238
Amortization Expense	391.149	77.221	668	-	469.038
Redemption	55.597	-	-	-	55.597
Other Information					
Total Assets	118.098.269	11.234.521	750.634	(11.971.440)	118.111.985
Total Funds	118.098.269	11.234.521	750.634	(11.971.440)	118.111.985

NOTE: 6 CASH AND CASH EQUIVALENTS

	31 DECEMBER 2012	31 DECEMBER 2011
CASH	21.925	120.058
BANKS	319.033	2.593.884
DEMAND DEPOSIT	319.033	2.593.884
TL	203.980	340.220
USD*	20.001	1.726.635
EURO*	95.052	527.029
GBP*	2.561.301	2.646.901
TOTAL	2,902.259	5,360.843

Time Deposits less than 3 months overdue without barring

Interest rate for TL deposits is 6.5% as of 31.12.2012.

As of 31.12.2012 tarihi, there are no time deposit accounts.

**In TL.*

***Checks less than 3 months overdue are presented with discounted net values.*

FOREIGN CURRENCY DEPOSIT	31 DECEMBER 2012	31 DECEMBER 2011
BANKS / DEMAND DEPOSIT		
USD	11.220	914.095
EURO	40.419	215.660

NOTE: 7 FINANCIAL INVESTMENTS

None. (31.12.2011 – None.)

NOTE: 8 FINANCIAL LIABILITIES

SHORT TERM FINANCIAL LIABILITIES	31 DECEMBER 2012	31 DECEMBER 2011
BANK LOANS	44.379.265	29.137.293
CAPITAL LEASE OBLIGATIONS	3.792.964	
LEASE OBLIGATIONS	508.969	378
DEFERRED LEASING COSTS(-)	(40.132)	(261)
TOTAL	48.641.066	29.137.410

	INTEREST RATE (%)	ORIGINAL MONEY VALUE	31 DECEMBER 2012	INTEREST RATE (%)	ORIGINAL MONEY VALUE	31 DECEMBER 2011
BANK LOANS						
TL LOANS	15,00	2.007.359	2.007.359	6,25-7,25	834.076	834.076
USD LOANS	4,90-6,75	10.169.573	18.128.281	5,75-8,15	5.227.417	9.874.069
EUR LOANS	4,75-7,25	10.308.979	24.243.625	4,70-8,00	7.541.182	18.429.265
TOTAL			44.379.265			29.137.410

LONG TERM FINANCIAL LIABILITIES	31 DECEMBER 2012	31 DECEMBER 2011
BANK LOANS	13.606.884	10.238.191
CAPITAL LEASE OBLIGATIONS	276.000	-
DEFERRED LEASING COSTS(-)	(8.095)	-
TOTAL	13.874.789	10.238.191

	INTEREST RATE (%)	ORIGINAL MONEY VALUE	31 DECEMBER 2012	INTEREST RATE (%)	ORIGINAL MONEY VALUE	31 DECEMBER 2011
BANK LOANS						
TL LOANS	3,80-14,50	1.880.761	1.880.761	-		
USD LOANS	3,50-4,5	3.377.372	6.020.503	4,30-5,30	4.734.695	8.943.365
EUR LOANS	3,50-5,25	2.426.168	5.705.620	5,12	529.841	1.294.826
TOTAL			13.606.884			10.238.191

NOTE: 9 OTHER FINANCIAL LIABILITIES

None . (31.12.2012 – None)

NOTE: 10 TRADE RECEIVABLES AND PAYABLES

SHORT TERM TRADE RECEIVABLES	31 DECEMBER 2012	31 DECEMBER 2011
RECIPIENTS	56.957.833	31.653.951
DISCOUNT ON RECEIVABLES (-)	(15.071)	(178.110)
DISCOUNT ON RECEIVABLES	(15.071)	(178.109)
RECEIVABLES FROM RELATED PARTIES (NOTE 37)	2.718.069	18.342
DOUBTFUL TRADE RECEIVABLES	1.062.199	943.840
PROVISION FOR DOUBTFUL RECEIVABLES (-)	(1.062.199)	(943.840)
TOTAL	59.660.831	31.494.183

MATURITIES OF RECEIVANT ACCOUNTS	31 DECEMBER 2012	31 DECEMBER 2011
PAST DUE RECEIVABLES	-	-
MATURITIES OF RECEIVABLES UP TO 1 MONTH	45.566.266	24.818.415
MATURITIES OF RECEIVABLES UP TO 3 MONTHS	3.417.470	2.220.114
RECEIVABLES MORE THAN 3 MONTHS OVERDUE	7.974.097	4.615.422
TOTAL	56.957.833	31.653.951

Maturities and Notes Recivables aging schedule as follows:

	31 DECEMBER 2012	31 DECEMBER 2011
BEGINNING OF PERIOD	(943.840)	(918.146)
YEARLY PROVISION	(118.359)	(36.879)
IMPROBABLE RECEIVABLES	-	11.185
PERIOD END	(1.062.199)	(943.840)

SHORT TERM TRADE RECEIVABLES	31 DECEMBER 2012	31 DECEMBER 2011
SELLERS	7.505.742	8.818.200
DEBT SECURITIES	25.943.732	13.060.771
DISCOUNT ON DEBT SECURITIES (-)	(195.287)	(183.379)
RECEIVABLES FROM RELATED PARTIES (NOTE 37)	110.213	-
OTHER TRADE PAYABLES	2.207.646	1.131.520
TOTAL	35.572.046	22.827.113

MATURITIED OF DEBT SECURITIES	31 DECEMBER 2012	31 DECEMBER 2011
MATURITIES OF RECEIVABLES UP TO 1 MONTH	13.231.303	8.125.187
MATURITIES OF RECEIVABLES UP TO 3 MONTHS	10.896.368	4.920.729
RECEIVABLES MORE THAN 3 MONTHS OVERDUE	1.816.061	14.855
TOTAL	25.943.732	13.060.771

Credit risk analysis of trade receivables as of 31.12.2012 and 31.12.2011 are explained in detail in Annotation 38.
The Group has reserved provisions for doubtful receivables generating from its commercial activities.

NOTE: 11 OTHER RECEIVABLES AND PAYABLES

SHORT TERM TRADE RECEIVABLES	31 DECEMBER 2012	31 DECEMBER 2011
DEPARTMENT OF TAX REFUND RECEIVABLE	5.032.343	-
DEPOSITS AND GUARANTEES	-	85
OTHER VARIOUS RECEIVABLES	102.158	1.813.165
TOTAL	5.134.501	1.813.250

OTHER LONG TERM RECEIVABLES	31 DECEMBER 2012	31 DECEMBER 2011
DEPOSITS AND GUARANTEES GIVEN	21.600	17.226
TOTAL	21.600	17.226

SHORT TERM TRADE RECEIVABLES	31 DECEMBER 2012	31 DECEMBER 2011
ARREARS OF PERSONNEL WAGES	713.288	536.154
SEVERANCE DEBTS	291	105.096
TAXES AND FUNDS PAYABLE	1.383.062	416.389
SOCIAL SECURITY WITHHOLDINGS PAYABLE	410.011	502.648
OTHER LIABILITIES PAYABLE	9.489	1.599
TOTAL	2.516.141	1.561.886

OTHER LONG TERM FINANCIAL LIABILITIES	31 DECEMBER 2012	31 DECEMBER 2011
DEFERRED TAX LIABILITIES	-	338.854
TOTAL	-	338.854

NOTE: 12 PAYABLES AND RECEIVABLES FROM FINANCIAL ACTIVITIES

None. (31.12.2011 - None.)

NOTE: 13 RESERVES

RESERVES	31 DECEMBER 2012	31 DECEMBER 2011
RAW MATERIALS AND SUPPLIES	34.054.344	29.497.726
WORKS IN PROGRESS	5.836.561	7.968.801
FINISHED GOODS	682.078	3.981.998
COMMERCIAL PRODUCTS	2.310.125	1.609.113
OTHER RESERVES	682.723	842.829
PROVISION FOR RESERVE VALUE DECREASE (-)	-	(137.829)
TOTAL	43.565.831	43.762.638

Activity statement for provisions of reserve value decrease is as below:

RESERVE VALUE DECREASE PROVISIONS	31 DECEMBER 2012	31 DECEMBER 2011
JANUARY 1 BALANCE	137.829	147.250
PROVISIONS RESERVED WITHIN THE YEAR	-	137.829
TERMINATED PROVISIONS (-)	(137.829)	(147.250)
TOTAL	-	137.829

NOTE: 14 BIOLOGICAL ASSETS

None. (31.12.2011 - None.)

NOTE: 15 ON-GOING CONSTRUCTION CONTRACTS ASSETS

None. (31.12.2011 - None.)

NOTE: 16 ASSETS THAT GAINED VALUE WITH RESOURCE MANAGEMENT None. (31.12.2011 - None.)

NOTE: 17 INVESTMENT PROPERTY

As of 31 December 2012, total fair value of the investment property of the Group is 5.456.211 TL. (31.12.2011 – 5.456.211 TL.)
Financial statement summarizing the investment property of the Group is given below:

FAIR VALUE	1 JAN 2012	ADDITIONS	CORRECTIONS	OUTFLOWS	31 DEC 2012
LAND, FIELDS	4.009.961	-	-	-	4.009.961
BUILDINGS	1.446.250	-	-	-	1.446.250
TOTAL	5.456.211	-	-	-	5.456.211

FAIR VALUE	1 JAN 2011	ADDITIONS	CORRECTIONS	OUTFLOWS	31 DEC 2011
LAND, FIELDS	5.773.187	-	-	(1.763.226)	4.009.961
BUILDINGS	1.446.250	-	-	-	1.446.250
TOTAL	7.219.437	-	-	(1.763.226)	5.456.211

Of the Group's investment property, the buildings and lands in Gaziemir / İzmir, arable land in Selçuklu / Konya, the land in Güzelbahce/ İzmir and the lands in Ataşehir / İstanbul were appraised by CMB licensed independent expertise company TSKB Gayrimenkul Değerleme A.Ş.Group management believes that the appraisement company in question has sufficient experience and knowledge in area of appraisement as well as updated information about the class and location of the investment property in question.

As a result of the appraisement and according to the appraisement report dated 30 April 2010, total value of the buildings and lands in Gaziemir/ İzmir was determined as 4.160.067 TL, 1.446.250 TL respectively, the value of the arable land in Selçuklu / Konya was determined as 230.000 TL, the value of the land in Güzelbahçe / İzmir was determined as 493.120 TL, and the total value of the land in Ataşehir /İstanbul was determined as 890.000 TL. Values of the properties were determined based on the peer assessment method. Group management believes that the values determined as a result of the appraisement works carried out in 2010 reflect current values. Property in Gaziemir / İzmir were sold as per the expropriation decision of Istanbul Metropolitan Municipality in August 2011 and October 2011. Registered value of the property sold is 1.763.226 TL.

No mortgage or insurance coverage exists for the investment properties of the Group.

NOTE: 18 INTANGIBLE ASSETS

18.1 PROPERTIES :

Movements for usage-aimed properties is as below:

	1 JAN 2012	CORRECTION	ADDITIONS	CORRECTION	OUTPUTS	31 DEC 2012
LAND	6.310.400					6.310.400
BUILDING	827.870					827.870
FACTORY BUILDING	4.391.486		5.204.588	(314.400)		9.281.674
SURFACE MECHANISMS	409.000		62.079			471.079
TOTAL	11.938.756	-	5.266.667	(314.400)	-	16.891.023

	1 JAN 2011	CORRECTION	ADDITIONS	CORRECTION	OUTPUTS	31 DEC 2011
LAND	6.310.400					6.310.400
BUILDING	827.870					827.870
FACTORY BUILDING	3.319.786		1.071.700			4.391.486
SURFACE MECHANISMS	409.000					409.000
TOTAL	10.867.056	-	-	-	-	11.938.756

PROPERTY ENDORSEMENTS:

Statement of hypotecs on realties as of December 31, 2012 is as below:

WARRANTY PATTERN	OWNER	QUALITY	DEGREE	TO WHOM	REASON	HYPOTEC REGISTRY DATE	CURRENCY TL/USD/EURO	AMOUNT
Hypotec	Katmerciler Profil A.Ş.	P-Factory Building	1	Halkbankası A.Ş.	Loan Usage	27.10.2005	EURO	600.000
Hypotec	Katmerciler A.Ş. (Konya)	Field	1	Halkbankası A.Ş.	Loan Usage	28.10.2005	EURO	300.000
Hypotec	Katmerciler Profil A.Ş.	P-Factory Building	2	Halkbankası A.Ş.	Loan Usage	06.06.2008	EURO	2.000.000
								2.900.000
Hypotec	Katmerciler Profil A.Ş.	P-Factory Building	3	Halkbankası A.Ş.	Loan Usage	06.06.2008	TL	2.000.000
Hypotec	Katmerciler Profil A.Ş.	P-Factory Building	3	Halkbankası A.Ş.	Loan Usage	08.05.2009	TL	3.000.000
Hypotec	Katmerciler A.Ş.	A-Factory Building	2	Halkbankası A.Ş.	Loan Usage	03.02.2011	TL	3.500.000
								8.500.000
Hypotec	Katmerciler A.Ş.	A-Factory Building	1	Halkbankası A.Ş.	Loan Usage	05.03.2010	USD	5.000.000
								5.000.000

18.2 OTHER TANGIBLE FIXED ASSETS:

Activity statement for end 31 December 2012 and end 31 December 2011 are as below:

	1 JANUARY 2012	INPUTS	CORRECTION ENTRIES	OUTPUTS	31 DECEMBER 2012
LANDS AND BUILDINGS					
USAGE-AIMED REALTIES	11.529.756	5.204.588	(314.400)		16.419.944
BELOW AND ABOVE GROUND MACHINERY	409.000	62.079			471.079
FACILITY MACHINERY AND DEVICES	1.959.581	1.715.022	(141.500)	(240.000)	3.293.103
VEHICLES	1.416.575	266.428	(9.974)	(293.284)	1.379.745
INVENTORY	830.978	233.551	(29.420)	(1.250)	1.033.859
OTHER FIXED TANGIBLE ASSETS	-				0
ONGOING INVESTMENTS	4.448.701	1.260.371	(454.886)	(5.081.580)	172.606
TOTAL	20.594.591	8.742.039	(950.180)	(5.616.114)	22.770.336
AMORTISATION					
BELOW AND ABOVE GROUND MACHINERY	17.762	15.350			33.112
BUILDINGS	205.174	197.333			402.507
MACHINERY AND EQUIPMENT	1.430.401	219.382	48.573	(38.964,00)	1.659.392
VEHICLES	249.326	211.643		(129.407)	331.562
INVENTORY	457.344	115.340			572.684
OTHER FIXED TANGIBLE ASSETS	-	-			-
TOTAL	2.360.006	759.048	48.573	(168.371)	2.999.257
NET BOOK VALUE	18.234.585				19.771.079

	1 JANUARY 2011	INPUTS	CORRECTION ENTRIES	OUTPUTS	31 DECEMBER 2011
LANDS AND BUILDINGS					
USAGE-AIMED REALTIES	10.458.056	1.071.700			11.529.756
LAND AND BUILDINGS	-				0
BELOW AND ABOVE GROUND MACHINERY	409.000				409.000
FACILITY MACHINERY AND DEVICES	1.562.014	453.963		(56.396)	1.959.581
VEHICLES	810.100	1.129.243		(522.768)	1.416.575
INVENTORY	696.021	137.536	(2.579)		830.978
OTHER FIXED TANGIBLE ASSETS	-				0
ONGOING INVESTMENTS	55.594	4.393.107			4.448.701
TOTAL	13.990.785	7.185.549	(2.579)	(579.164)	20.594.591
AMORTISATION					
BELOW AND ABOVE GROUND MACHINERY	8.042	9.720			17.762
BUILDINGS	93.325	111.849			205.173
MACHINERY AND EQUIPMENT	1.428.879	57.918		(56.395)	1.430.402
VEHICLES	173.251	202.496		(126.421)	249.326
INVENTORY	372.344	87.056		(2.056)	457.343
OTHER FIXED TANGIBLE ASSETS	-	-			-
TOTAL	2.075.840	469.038	-	(184.872)	2.360.006
NET BOOK VALUE	11.914.946				18.234.585

Of tangible fixed assets depreciation periods are as follows:

Tangible Fixed Assets	Useful Life%
Buildings	40-50
Machinery and equipment	1-10
Vehicles	5
Fixtures	2-10

NOTE: 19 INTANGIBLE FIXED ASSETS

	1 JAN 2012	INPUT	ADJUSTMENTS (+/-)	OUTPUTS	31 DEC 2012
OTHER INTANGIBLE FIXED ASSETS	194.436	928.892	(38.491)	(135.115)	949.722
RIGHTS	225.761	281.350			507.111
SPECIAL COST	0	60.450	59.825		120.275
TOTAL	420.197	1.270.691	21.335	(135.115)	1.577.108
B. AMORTISATION					
RIGHTS	131.737	78.176			209.913
SPECIAL COST	0	1.548	2.065		3.614
OTHER INTANGIBLE FIXED ASSETS	55.260	55.697	(49.116)		61.841
TOTAL	186.996	135.422	(47.051)		275.368
NET BOOK VALUE	233.201				1.301.740

	1 JAN 2011	INPUT	ADJUSTMENTS (+/-)	OUTPUTS	31 DEC 2011
OTHER INTANGIBLE FIXED ASSETS	134.611	59.825			194.436
RIGHTS	167.898	57.863			225.761
TOTAL	302.509	117.689			420.198
B. AMORTISATION					
RIGHTS	97.795	33.942			131.737
OTHER INTANGIBLE FIXED ASSETS	43.276	21.655	(9.671)		55.260
TOTAL	141.071	55.597	(9.671)		186.997
NET BOOK VALUE	161.439				233.202

Of intangible assets amortization periods are as follows:

Intangible Assets	Useful Life
Rights	3 years
Other Intangible Assets	10 years

Intangible assets consist of computer software and user licenses..

NOTE: 20 : GOODWILL

GOODWILL	31 DEC 2012	31 DEC 2011
POSITIVE GOODWILL (NET)	1.759.039	1.759.039
(-) ALLOWANCE FOR IMPAIRMENT	-	-
CLOSING BALANCE	1.759.039	1.759.039

NOTE: 21 GOVERNMENT INCENTIVE AND SUPPORT

None. (31.12.2011 – 221.364 TL)

NOTE: 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

22.1 Provisions

The Company has undertakings for produced equipments; of 2 years for local, and 1 year for foreign production. As of balance sheet date, expense provisions have been reserved for probable future undertakings payable.

LIABILITY PROVISIONS	31 DEC 2012	31 DEC 2011
Provisions for Warranties Payable	257,629	160,740
Provisions for Unused Leaves	327,247	320,953
TOTAL	584,876	481,693

22.2 Commitments not taking place in Liability

As of 31 December 2012, the total value of the mortgage and collateral given by the company is 32.986.179 TL. (As of 31 December 2011: 27.549.747 TL.)

22.3 Commitments not taking place in Liability

WARRANT, SECURITY AND HYPOTECS DELIVERED BY THE COMPANY	31 DEC 2012		31 DEC 2011	
	CURRENCY AMOUNT	EQUIVALENT TL	CURRENCY AMOUNT	EQUIVALENT TL
A. TOTAL AMOUNT OF WARRANTIES, SECURITIES AND HYPOTECS DELIVERED ON BEHALF OF OWN LEGAL ENTITY	10.379.160	32.986.179	10.291.995	27.549.747
LETTER OF GUARANTEE	2.479.160	7.954.659	2.341.995	2.396.037
GUARANTEE (USD)	1.874.400	3.341.305	2.304.565	2.304.565
GUARANTEE (EURO)	604.760	1.422.214	37.430	91.471
GUARANTEE (TL)		3.191.140		
HYPOTECS	7.900.000	25.031.520	7.900.000	25.031.520
HYPOTEC (USD)	5.000.000	9.444.500	5.000.000	9.444.500
HYPOTEC (EURO)	2.900.000	7.087.020	2.900.000	7.087.020
HYPOTEC(TL)		8.500.000		8.500.000
COLLATERAL			50.000	122.190
VEHICLE COLLATERALI (EURO)	-		50.000	122.190
B. Total Amount of Warrants, Securities, Hypotecs Delivered on Behalf of Partnerships Included in Full Consolidation				
C. Total Amount of Warrants, Securities, Hypotecs Delivered with the intention of supplying Payables of Other 3rd Parties for the Purpose of Conducting Ordinary Commercial Activities				
D. D. Total Amount of Warrants, Securities and Hypotecs Delivered				
i. Total Amount of Warrants, Securities and Hypotecs Delivered on behalf of the Parent Company				
ii. Total Amount of Warrants, Securities and Hypotecs Delivered on behalf of the Other Group Companies That are not included in Articles B and C.				
iii. Total Amount of Warrants, Securities and Hypotecs Delivered on behalf of third parties That are not included in Article C.				
TOTAL		32.986.179		27.549.747

As of 31 December 2012 the ratio of 'other TRI" provided by the company to equity is 0%. (As of 31 December 2011: 0%.)

22.3 Total Insurance Amount of Asset Values

31 DECEMBER 2012				
ASSET TYPE	AMOUNT	AMOUNT	START DATE	END DATE
BUILDING	HDI SİGORTA A.Ş	20.000	13.09.2012	13.09.2013
BUILDING	HALK SİGORTA A.Ş	1.800.000	11.03.2012	11.03.2013
BUILDING	MAPFRE GENEL SİGORTA A.Ş	3.600.000	24.01.2012	24.01.2013
INVENTORY	MAPFRE GENEL SİGORTA A.Ş	900.000	24.01.2012	24.01.2013
WARE	MAPFRE GENEL SİGORTA A.Ş	20.000.000	24.01.2012	24.01.2013
SAFE DEPOSIT	MAPFRE GENEL SİGORTA A.Ş	110.000	24.01.2012	24.01.2013
MACHINERY EQUIPMENT	MAPFRE GENEL SİGORTA A.Ş	1.600.000	24.01.2012	24.01.2013
INSURANCE	MAPFRE GENEL SİGORTA A.Ş	1.304.026	04.07.1905	05.07.1905
TOTAL		29.334.026		

31 DECEMBER 2011				
ASSET TYPE	AMOUNT	AMOUNT	START DATE	END DATE
BUILDING	Mapfre Genel Sigorta A.Ş.	3.600.000	24.01.2011	24.01.2012
BUILDING	Birlik Sigorta A.Ş.	1.800.000	11.03.2011	11.03.2012
INVENTORY	Mapfre Genel Sigorta A.Ş.	900.000	24.01.2011	24.01.2012
WARE	Mapfre Genel Sigorta A.Ş.	7.000.000	24.01.2011	24.01.2012
SAFE DEPOSIT	Mapfre Genel Sigorta A.Ş.	110.000	24.01.2011	24.01.2012
MACHINERY EQUIPMENT	Mapfre Genel Sigorta A.Ş.	1.600.000	24.01.2011	24.01.2012
INSURANCE		1.416.742	2011	2012
TOTAL		16.426.742		

There are no warrants, securities or hypotecs received by the Company in return for receivables. Except for the warrants, securities or hypotecs delivered on behalf of own legal entity, there are no warrants, securities or hypotecs delivered on behalf of related parties, affiliate partnerships or third parties.

NOTE: 23 COMMITMENTS

The Company has export commitments regarding short term and long term bank loans. These commitments are fulfilled by the Company, in due time. In addition, the Company has 7 certificates of inward processing. Company's export and import commitments statements are as below:

EXPORT LOANS COMMITMENT STATEMENT		
YEARS	31 DEC 201	31 DEC 2011
USD LOANS	10.589.000	5.464.000
EUROLOANS	9.297.529	7.348.237

INWARD PROCESSING LICENCE		
DOCUMENT NO	TERM	EXPORT COMMIT. (USD)
2012/D1-07358	26.11.2013	1.077.350
2012/D101974	22.06.2013	3.374.620

NOTE: 24 EMPLOYEE BENEFITS

As per the current laws in Turkey, the company is obliged to make severance payment to the following employees: personnel who worked for one year and was laid off without any valid reason, personnel who left he company for military service, personnel who passed away, male personnel who completed a total service period of 25 years and female personnel who completed a total service period of 20 years (female personnel aged 58 and male personnel aged 60). Legally, severance pay liability is not subject to any type of funding. The amount to be paid for severance pay is calculated based on the discounted value of the total possible severance liability of the group in the future. IAS 19 ("Employee Benefits"), involves the development of the company's liabilities using actuarial revaluation methods based on the defined benefit programs. Accordingly, actuarial assumptions used in the calculation of total liabilities are given below: The company used the following actuarial assumptions in the calculation of the total liability for employee benefits:

EMPLOYEE BENEFITS	31 DEC 2012	31 DEC 2011
DISCOUNT RATE	%5,99	%5,54
TURNOVER RATE FOR RETIREMENT POSSIBILITIY ESTIMATION	%95	%95

The main assumption is that the maximum liability amount is going to increase parallel to inflation. As a result, the discount rate applied indicates the real ratio that is expected to come up after adjustment for future inflationary effects. Thus, as of 31 December 2012 and 31 December 2011, the corresponding amounts in the attached consolidated financial statements, are calculated based on the forecast of the current value of the possible liability that would result from retirement of employees in the future.

For calculation of the severance pay amount to be paid by the Group, the ceiling amount of 3.033 TL that was effective from 31 December 2012 was taken into account. (31.12.2011: 2.731 TL)

PROVISIONS FOR EMPLOYEE BENEFITS	31 DECEMBER 2012	31 DECEMBER 2011
PROVISIONS FOR EMPLOYEE BENEFITS	1.135.191	929.211
TOTAL	1.135.191	929.211

PROVISIONS FOR SEVERANCE PAYMENT ACTIVITY STATEMENT	31 DECEMBER 2012	31 DECEMBER 2011
BEGINNING OF PERIOD	929.211	683.194
Non-consolidated Companies	-	(7.633)
Interest Cost	55.649	56.627
Paid within period	(305.873)	(305.966)
Increase within period	456.204	502.989
CURRENT INCOME / EXPENSE	-	-
PERIOD END	1.135.191	929.211

NOTE: 25 RETIREMENT PLANS

None. (31.12.2011 - None.)

NOTE: 26 OTHER ASSETS AND LIABILITIES

OTHER CURRENT ASSETS	31 DEC 2012	31 DEC 2011
DEFERRED TAX ASSET	-	2.120.174
NEXT MONTH EXPENSES	1.396	
DEFERRED VAT	6.308.845	3.982.061
OTHER VAT	-	832.093
ADVANCE PAID TAX AND FUNDS	100.119	159.465
BUSINESS ADVANCE PAYMENTS	62.420	41.996
ADVANCE PAID FOR ORDERS	4.693.494	2.371.783
TOTAL	11.166.274	9.507.571

OTHER FIXED ASSETS	31 DEC 2012	31 DEC 2011
COSTS RELATED TO FUTURE YEARS	58.850	411.414
DEFERRED TAX ASSETS	1.690.291	-
TOTAL	1.749.141	411.414

OTHER SHORT TERM LIABILITIES	31 DEC 2012	31 DEC 2011
DEFERRED TAX LIABILITY	-	1.696.624
OTHER VAT	-	832.093
ADVANCE RECEIVED FROM ORDERS	7.311.078	19.000.892
TOTAL	7.311.078	21.529.609

OTHER LONG-TERM LIABILITIES	31 DEC 2012	31 DEC 2011
DEFERRED TAX LIABILITY	2.385.108	-
TOTAL	2.385.108	-

All advances are for 2013 deliveries.

NOTE: 27 EQUITIES

A) CAPITAL (EQUITY)

The Company's shareholders and their equity shares as of 31.12.2012 and 31.12.2011 are as below:

		31 DECEMBER 2012		31 DECEMBER 2011	
SHAREHOLDER	GROUP	AMOUNT	%	AMOUNT	%
İSMAİL KATMERCİ	A-B	14.528.333	58,11	14.528.333	58,11
HAVVA KATMERCİ	A-B	1.100.000	4,40	1.100.000	4,40
MEHMET KATMERCİ	A-B	1.100.000	4,40	1.100.000	4,40
AYŞENUR ÇOBANOĞLU	A-B	1.100.000	4,40	1.100.000	4,40
FURKAN KATMERCİ	A-B	1.100.000	4,40	1.100.000	4,40
PUBLIC SHARE	B	6.071.667	24,29	6.071.667	24,29
TOTAL		25.000.000	100	25.000.000	100

Paid-in capital of the company is 25.000.000 TL. (31.12..2011 25.000.000 TL). Company capital is divided into 25.000.000 shares each having a nominal value of 1 TL and of these shares, 2.000.000 are Group A registered share and 23.000.000 are Group B bearer share certificates.
Group A shares are preferred stock and distribution of ownership is as follows: 1.600.000 shares owned by İsmail Katmerci, 100.000 shares owned by Havva Katmerci, 100.000 shares owned by Mehmet Katmerci, 100.000 shares owned by Ayşenur Çobanoğlu and 100.000 shares owned by Furkan Katmerci.

The shares provided to the owner by the preferred stock are as follows;
Company's operations will be managed by the Board of Directors that will comprise 5, 7 or 9 members to be selected by the General Assembly from among the candidates nominated by holders of Group A shares as per the provisions of Turkish Code of Commerce (Article 10 of the Articles of Association of the company)
All auditors are to be selected from among the candidates to be nominated by Group a shareholders (Article 21 of the Articles of Association of the company)
All issued shares are paid.
The publicly traded portion of the company is traded in the IInd National Market of ISE.

B) RESERVES ON RETAINED EARNINGS

Legal reserves comprise the primary and secondary reserves allocated as per the Turkish Code of Commerce. Primary reserve is to be allocated at a rate of 5% until all reserves reach 20% of historical (indexed to inflation) paid-in capital. Secondary

	31 DECEMBER 2012	31 DECEMBER 2011
RESTRICTED RESERVES	1.162.896	1.005.557
TOTAL	1.162.896	1.005.557

reserves are allocated at an annual rate of 10% over the cash dividend payments after all primary reserve and dividends.

As per the CMB requirements that were effective until 1 January 2008, the amount that emerged during the first income statement balancing transaction that involved inflationary adjustment and was previously recorded in "previous years' loss', was taken into account as a discount item when there was a profit figure to be distributed according to financial statement adjusted for inflation as per the CPM legislation regarding profit distribution.

Also, there was the possibility for the amount that was recorded in "previous years' loss", profit for the period if any, retained earnings from previous years, and the remaining loss amount to be offset from the reserves, legal reserves, and capital reserve that resulted from equity items adjusted for inflation respectively.

Again, as per the legislation that was effective until 1 January 2008, as a result of the first inflationary adjustment to the financial tables, the equity items of "capital, premiums on capital stock, legal reserves, statutory reserves, special reserves and excess reserves", were recorded with their values in the balance sheet and the adjusted values of these items were recorded under the "Inflationary adjustment differences of equity" account under the Equity group.
"Inflationary adjustment differences of equity" for all equity items could be used only for offsetting capital increase through bonus issues or loss, while the recorded values of excess reserve could be used in offsetting capital increase through bonus issue, cash dividend distribution or loss.

As per the Communiqué Serial XI Nr: 29 that became effective as of 1 January 2008 and the related CMB announcements, "Paid-in capital", "Reserves on Retained Earnings" and "Share premiums" are required to be recorded based on their amounts in the legal records. The differences that result from valuation during the application of the Communiqué in question (such as those that result from inflationary adjustments):

* it should be linked to the "Capital adjustment differences" item to be opened after the "paid in capital" item If it results form "paid in capital" and has not been added to capital yet;

* It should be linked to "Profit/loss from previous years", if it results from "Reserves on Retained Earnings" and "Share Premium" and it has not be subject to profit distribution or capital increase,

The other items of equity are shown with their amounts determined as per the CMB Financial Reporting Standards. Capital adjustment differences are not used for any purpose other than being added to the capital.

C) RETAINED PROFIT / LOSS

	31 DECEMBER 2012	31 DECEMBER 2011
Retained Profit / Loss	3.511.201	1.126.316
Total	3.511.201	1.126.316

MINORITY SHARES:

Group's activity statement regarding Minority shares, which are separately classified under equities in financial statement, is as follows:

31 DECEMBER 2012 MINORITY SHARE	
Katmerciler A.Ş. Non-controlling Shares	205.741
Isıpan A.Ş. Non-controlling Shares	(65.914)
Gimkat Araç Üstü Ekipman A.Ş. Non-controlling Shares	1.238.752
NON-CONTROLLING SHARES	1.378.579

31 DECEMBER 2011 MINORITY SHARE	
Katmerciler A.Ş. Non-controlling Shares	205.741
Isıpan A.Ş. Non-controlling Shares	(65.914)
NON-CONTROLLING SHARES	139.827

NOTE: 28 SALES AND COST OF SALES

Details regarding deliveries taking place in Group's sales revenue in periods is as below:

SALES	01 JAN 2012 31 DEC 2012	01 JAN 2011 31 DEC 2011
DOMESTIC SALES	14.960.561	29.845.288
OVERSEAS SALES	137.695.365	55.646.304
OTHER REVENUES	459.407	212.374
TOTAL SALES	153.115.333	85.703.966

COST OF SALES	01 JAN 2012 31 DEC 2012	01 JAN 2011 31 DEC 2011
DIRECT RAW MATERIAL AND SUPPLIES COST	68.102.515	60.963.852
DIRECT LABOUR COSTS	2.465.038	1.647.425
DEPLETION AND AMORTIZATION COSTS	859.409	514.965
OTHER PRODUCTION COSTS	11.413.453	5.269.133
TOTAL PRODUCTION COST	82.840.415	68.395.375
WORKS IN PROGRESS CHANGE	2.667.740	-6.970.839
FINISHED GOODS CHANGE	3.748.258	-3.013.448
SOLD MERCHANDISE COST	28.862.000	3.267.219
SERVICE SALES COST	2.449.246	4.249.045
COST OF OTHER SALES	815.490	583.467
TOTAL	121.383.149	66.510.819
GROSS PROFIT	31.732.184	19.193.147

NOTE: 29 RESEARCH AND DEVELOPMENT EXPENDITURES, MARKETING SALES AND DISTRIBUTION EXPENDITURES, GENERAL ADMINISTRATION EXPENDITURES

	01 JAN 2012 31 DEC 2012	01 JAN 2011 31 DEC 2011
Sales and Marketing Expenditures	12.232.096	5.219.676
General Administration Expenditures	6.424.276	3.577.829
TOTAL	18.656.372	8.797.505

MARKETING, SALES AND DISTRIBUTION EXPENSES	01 JAN 2012 31 DEC 2012	01 JAN 2011 31 DEC 2011
PERSONNEL EXPENSES	1.709.631	826.902
PROVISION FOR SEVERANCE PAY	26.647	7.983
CARGO EXPENSES	49.052	63.881
TRAVEL EXPENSES	523.872	369.882
EXPORT FREIGHT EXPENSES	5.814.090	282.510
OTHER EXPORT EXPENSES	338.902	197.425
SALES COMMISSION EXPENSES	146.911	602.312
WARRANTY EXPENSES	271.752	54
DOMESTIC AND INTERNATIONAL SERVICE EXPENSES	949.790	180.137
EXHIBITION-EVENT EXPENSES	414.320	99.771
VERTISING EXPENSES	357.621	487.130
TRANSPORTATION AND INSURANCE EXPENSES	90.615	305.113
ENTERTAINMENT EXPENSES	306.276	354.087
AMORTIZATION AND DEPLETION	50.362	54.196
BRAND AND REGISTRATION EXPENSES	55.912	16.648
LEGAL AND NOTARY EXPENSES	195.923	42.239
VEHICLE RENTAL EXPENSES	58.020	878
TENDER RELATED EXPENSES	268.831	3.197
UTILITIES	199.820	218.320
COMMUNICATION EXPENSES	98.397	218.519
OTHER SALES AND MARKETING EXPENSES	305.352	888.492
TOTAL	12.232.096	5.219.676

Marketing, selling and distribution expenses are as follows:

GENERAL ADMINISTRATIVE EXPENSES	01 JAN 2012 31 DEC 2012	01 JAN 2011 31 DEC 2011
PERSONNEL EXPENSES	3.575.020	1.655.717
PROVISION FOR SEVERANCE PAY	89.598	10.136
CARGO EXPENSES	3.680	10.363
OUTSOURCED BENEFITS AND SERVICES	236.890	116.924
REPAIR AND MAINTAINANCE EXPENSES	102.571	53.897
CONSULTANCY EXPENSES	317.543	209.394
RENT EXPENSE	99.972	9.146
TRAVEL EXPENSE	176.993	168.678
IT EXPENSES	33.730	15.131
STATIONERY EXPENSES	32.250	23.244
GRANTS AND SUPPORTS	18.451	11.020
LATE FEE AND PENALTY EXPENSES	5.707	6.397
TAX, STAMP AND FEE EXPENSES	83.400	76.398
AMORTIZATION AND DEPLETION	445.584	258.907
INSURANCE EXPENSE	25.973	35.785
ADVERTISING EXPENSES	38.175	37.466
LEGAL AND NOTERY EXPENSES	62.285	46.638
UTILITIES	107.817	89.624
COMMUNICATION EXPENSES	17.039	21.528
OTHER GENERAL ADMINISTRATIVE EXPENSES	951.598	721.435
TOTAL	6.424.276	3.577.829

NOTE: 30 COST BY QUALIFICATIONS

	01 JAN 2012 31 DEC 2012	01 JAN 2011 31 DEC 2011
PERSONNEL EXPENSES	7.749.689	4.130.044
PROVISION FOR SEVERANCE PAY	116.245	18.119
AMORTIZATIN AND DEPLETION	1.355.355	828.067
CONSULTANCY EXPENSES	317.543	209.394
EXPORT FREIGHT EXPENSES	5.814.090	282.510
TENDER RELATED EXPENSES	268.831	3.197
TRAVEL EXPENSES	700.865	538.560
OTHER EXPENSES	5.658.201	4.950.002
TOTAL	21.980.818	10.959.894

NOTE: 31 OTHER ACTIVITIES INCOME/LOSS

OTHER ACTIVITIES INCOME	01 JAN 2012 31 DEC 2012	01 JAN 2011 31 DEC 2011
TERMINATED PROVISIONS	1.191.020	315.355
TANGIBLE FIXED ASSETS SALES PROFIT	96.164	147.844
INSURANCE ADJUSTMENT INCOME	66.582	25.258
SERVICE COST PROJECTION	197.846	123.460
RENTAL INCOME	49.315	72.972
OTHER INCOME	748.263	390.494
TOTAL	2.349.190	1.075.382

OTHER ACTIVITIES COSTS	01 JAN 2012 31 DEC 2012	01 JAN 2011 31 DEC 2011
PROVISION COSTS	553.709	36.879
SALES LOSS	377	712.833
OTHER EXPENSES	1.239.047	2.663.876
TOTAL	1.793.132	3.413.589

NOTE: 32 FINANCIAL INCOMES

	31 DEC 2012	31 DEC 2011
FOREIGN EXCHANGE PROFIT	8.916.496	3.953.599
REDISCOUNT INTEREST INCOME	223.139	152.243
INTEREST INCOME	1.361.314	826.209
TOTAL	10.500.949	4.932.051

NOTE: 33 FINANCIAL COSTS

	31 DEC 2012	31 DEC 2011
FOREIGN EXCHANGE LOSS (-)	3.982.254	3.595.464
REDISCOUNT INTEREST COST (-)	128.271	-
SHORT TERM DEBT COST (-)	6.316.432	4.589.818
LONG TERM DEBT COST (-)	1.235.541	1.111.945
TOTAL	11.662.498	9.297.227

NOTE: 34 FIXED ASSETS KEPT FOR SALE AND DISCONTINUING OPERATIONS

None. (31.12.2011 - None.)

NOTE: 35 : TAX ASSETS AND LIABILITIES

	31 DEC 2012	31 DEC 2011
CURRENT CORPORATE INCOME TAX EXPENSE	3.083.791	1.217.786
PREPAID TAXES (-)	(3.054.786)	(1.217.786)
TOTAL	29.005	-

	31 DEC 2012	31 DEC 2011
CURRENT CORPORATE INCOME TAX EXPENSE(-)	(3.083.791)	(1.217.786)
DEFERRED TAX INCOME/EXPENSE(-)	(115.356)	(75.866)
TOTAL	(3.199.147)	(1.293.651)

The Company is subject to corporate taxes in effect in Turkey. For estimated tax, liabilities regarding Company's current period operations, necessary provisions are included in annexed financial statements.

Corporate tax rate, which will be accrued on corporate income subject to tax, is calculated on the basis of tax assessment, after costs that are registered as expenditures in commercial profit and not deducted from tax assessment are added; and dividends received from domestic Companies, tax-free incomes and investment discounts are deducted.

In Turkey, advance tax is calculated and accrued every three months. At the stage when year 2011 corporate incomes are taxed as advance tax periods, an advance tax of 20% is calculated on the basis of corporate incomes. (31.12.2011 – 20%).

Losses can be carried on for five years, with the purpose of deducting from taxable profit of future years. However, losses cannot be deducted retrospectively from profits of previous years.

There is no certain and accurate settlement regarding tax assessment in Turkey. Companies prepare their tax returns between dates 1 April – 25 April, during the year; following related year's last accounting date. These returns and accounting registries which are based on, can be investigated and changed by Tax Office within five years.

As of 31 December 2012 and 31 December 2011, the reconciliation of the tax expense calculated by applying the effective tax to the profit before tax and the total tax reserve as shown in the consolidated income statement attached is as follows:

TAX PROVISIONS	31 DEC 2012	31 DEC 2011
ACCOUNTING PROFIT/LOSS	13.951.818	4.370.775
ADDITIONS(+)	1.513.289	1.728.153
NON-DEDUCTABLE EXPENSES (+)	1.513.289	1.728.153
DEDUCTIONS AND EXEMPTIONS	(46.155)	(10.000)
OTHER DEDUCTIONS (-)	(46.155)	(10.000)
TAXABLE PROFIT	15.418.952	6.088.928
TAX (20%)	3.083.791	1.217.786
TOTAL TAX	3.083.791	1.217.786

	31 DEC 2012		31 DEC 2011	
	TOTAL TEMP. DIFFERENCES	DEFERRED TAX ASSET / LIABILITY	TOTAL TEMP. DIFFERENCES	DEFERRED TAX ASSET / LIABILITY
DEFERRED TAX LIABILITIES				
PRIOR PERIOD SALES-REVENUE TRANSFER TO CURRENT PERIOD	-	-	294.490	(58.898)
TERMINATED PROVISION (BAD DEBT,+SEV, PAYMENT,)	137.829	(27.566)	152.439	(30.488)
RECEIVABLES REDISCOUNT CALCULATION	223.140	(44.628)	153.939	(30.788)
TFA SALES CORRECTION (TFL REDIS, CANCEL+IFRS SALES PROFIT)	113.115	(22.623)	871.414	(174.283)
TPL AMORTISATION COST CANCELLATION	1.678.967	(335.793)	1.153.397	(230.679)
HOLIDAY PAY PROVISION CANCELLATION	73.662	(14.732)	16.990	(3.398)
EMPLOYEE TERMINATION BENEFITS CANCELLATION	383.441	(76.688)	-	-
PAYABLES REDISCOUNT	153.187	(30.637)	183.379	(36.676)
WARRANT COST PROVISION CANCELLATION	160.740	(32.148)	139.929	(27.986)
TOTAL	2.924.081	(584.816)	2.965.976	(593.195)
DEFERRED TAX ASSETS				
PRIOR PERIOD SALES COST TRANSFER TO CURRENT PERIOD	-	-	(222.357)	44.471
TFA SALES CORRECTION (TFL REDIS, CANCEL+IFRS SALES LOSS)	(245.978)	49.196	(824.196)	164.839
TFA FINANCING COST DEDUCTION	(26.507)	5.301	-	-
TPL EXPENDITURE ACCOUNTS CLASSIFICATION	(9.974)	1.995	-	-
CURRENT PERIOD IAS 16, IAS 38 AMORTISATION COST	(905.689)	181.138	(524.636)	104.927
RESERVE VALUE DECREASE	-	-	(137.829)	27.566
SEVERANCE PROVISIONS	(506.195)	101.239	(253.654)	50.731
RECEIVABLES REDISCOUNT	(17.993)	3.599	(274.998)	55.000
HOLIDAY PAY PROVISIONS	(79.956)	15.991	(102.190)	20.438
WARRANT COST PROVISIONS	(257.629)	51.526	(160.740)	32.148
CURRENT PERIOD DEFERRED-DELIVERY SALES	(366.077)	22.800	-	-
PAYABLES REDISCOUNT (CANCELLATION)	(183.379)	36.676	(86.049)	17.210
TOTAL	(2.599.377)	469.460	(2.586.647)	517.329
NET, REFLECTED IN PROFIT-LOSS FROM DEFERRED TAX RECEIVABLES		(115.356)		(75.866)

DEFERRED TAX ASSETS AND LIABILITIES

The Company recognizes its tax asset and liabilities deferred for temporary timing variances, which source from the differences between its legal financial statements and its financial statements that are prepared according to CMB's Notice on Accounting Standards. Aforementioned differences occur because taxable amounts of some income and cost items and financial statements prepared as per Financial Reporting Standards published by CMB take place in different periods.

Deferred tax liability or asset is determined according to balance sheet method, by calculating timing differences between amounts of assets and liabilities shown in financial statements, and amounts that are based on during legal tax assessment calculation, on basis of legislated tax rates or tax effects. Deferred tax liability or asset is reflected in financial statements at rates of increase or decrease in payable tax amount in future periods when aforesaid timing differences will dissapear.

NOTE: 36 REVENUE PER STOCK

	1 JANUARY 2012 31 DECEMBER 2012	1 JANUARY 2011 31 DECEMBER 2011
NET PERIOD PROFIT / LOSS	10.160.085	2.470.727
WEIGHTED AVERAGE NUMBER OF SHARES	25.000.000	25.000.000
PER SHARE PROFIT / LOSS	0,41	0,10
CONTINUING OPERATIONS PER SHARE PROFIT / LOSS	0,41	0,10

NOTE: 37 RELATED PARTIES DECLARATIONS

Defining a company as a related party represents, one of the companies being controlled or highly effected by the other, or the company strongly effecting other company's financial and adminiztrative decisions. In line with the purpose of financial statements, non-consolidated long term securities, participants, partners, enterprises subject to joint management are mentioned as related parties. Besides, board members and their families are also defined as related parties.

The Group's parent partnership is Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. Since operations between the Company and its affiliates are eliminated during consolidation, they are not stated in this note. The Company's receivables and payables that are eliminated in consolidation generate from commercial activities. The Company does not have guarantees, warrants or commitments in favour of its affiliates.

EXECUTIVE ADMINISTRATIVE BENEFITS	1 JAN 2012 31 DEC 2012	1 JAN 2011 31 DEC 2011
WAGES, BONUS, ETC.	1.558.636	478.969
HOLIDAY PAY PROVISIONS	-	9.473
SEVERENCE PROVISIONS	10.779	7.103
TOTAL	1.569.415	495.545

Details of sales to related parties between 01 January 2012 – 31 December 2012 are as follows:

SALES TO RELATED PARTIES	PRODUCT SALES	SALES TO RELATED PARTIES	SERVICE SALES
GIMAEX SCHIMITZ FIRE AND RESCUE	2.539.777	GİMKAT ARAÇÜSTÜ EKİPMAN SAN. VE TİC. A.Ş.	10.602
KATMERCİLER ARAÇ ÜSTÜ A.Ş.'DEN		KATMERCİLER ARAÇ ÜSTÜ A.Ş.'DEN	
KATMERCİLER GAYRİMENKUL YATIRIM A.Ş.	2.950	GİMKAT ARAÇÜSTÜ EKİPMAN SAN. VE TİC. A.Ş.	7.740
KATMERCİLER PROFİL A.Ş.'DEN		KATMERCİLER PROFİL A.Ş.'DEN	
TOTAL	2.542.727,00	TOTAL	18.342,00

Year-end balances of the transactions with related parties are as follows.

PURCHASES TO RELATED PARTIES	PRODUCT PURCHASES
Gimkat Araçüstü	132.666
(One Seven Of Germny	
Gimkat Araçüstü Ekipman	160.299
(Gimaex Schmıtz Fire	
Gimkat Araçüstü Ekipman	8.481
(Giamex Echelles Ruffaun	
Gimkat Araçüstü Ekipman	73.293
(Schmıtz Gmbh den)	
Katmerciler Araçüstü	182.797
(Gimaex Schmıtz Fire	
TOTAL	557.536

EXPLANATION	31.12.2012				31.12.2011			
	RECEIVABLES		PAYABLES		RECEIVABLES		PAYABLES	
	COMMERCIAL	NON COMMERCIAL	COMMERCIAL	NON COMMERCIAL	COMMERCIAL	NON COMMERCIAL	COMMERCIAL	NON COMMERCIAL
Gimkat Araçüstü Ekipman San ve Tic. AŞ.	-	-	-	-	18.342	-	-	-
Katmerciler Gayrimenkul Yatırım AŞ.	176.612	-	-	-	-	-	-	-
Gimaex Schmıtz Fire and Rescue	2.539.777	-	35.468	-	-	-	-	-
Katmerciler Gayrimenkul Yatırım AŞ.	1.680	-	-	-	-	-	-	-
Rescue	-	-	14.574	-	-	-	-	-
Gamex Echelles Ruffaun	-	-	2.455	-	-	-	-	-
Schmıtz Gmbh	-	-	9.407	-	-	-	-	-
One Seven Of Germny Gmbh	-	-	48.310	-	-	-	-	-
TOTAL	2.718.069	-	110.213	-	18.342	-	-	-

NOTE: 38 QUALIFICATION AND LEVEL OF RISKS SOURCE FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management:

Within capital management, the Group aims to increase its profit by making best use if payable and equity balance, while putting efforts in maintaining operations' sustainability.
The Group's capital structure consists of; payables including loans explained in Annotation-8 and 10, cash and cash equivalents explained in Annotation -6, and equity items including, respectively, paid-in-capital, limited reserves from profit and accumulated profits, explained in Annotation - 27.

Company management aims to balance its capital structure not only via new debts or payments of existing ones, but also via dividend payments and issuing of new shares.

Company tracks the capital payable through payable/total equity ratio usage. This ratio is calculated by dividing net payable to equity. Net payable is calculated by deducting cash and cash equivalents from total payable amount.

Net payable / Total Equity ratio as of 31.12.2012 and 31.12.2011 are as follows:

TAX PROVISIONS	31.12.2012	31.12.2011
FINANCIAL PAYABLES	62.515.855	39.375.484
CASH AND CASH EQUIVALENTS (-)	(2.902.259)	(5.360.843)
NET PAYABLE	65.418.114	44.736.327
TOTAL EQUITIES	40.401.598	29.891.671
NET PAYABLE / EQUITY RATIO	1,62	1,50

Group's general strategy has remained largely the same with its general strategy in the previous financial period.

b) Financial Risk Factors :

Due to its activities, the Group experiences market risk, loan risk and liquidity risks. Group's risk management program generally focuses on minimizing potential negative effects of the uncertainty in markets.

The Group manages its financial instruments within the frame of its risk policies, via Financial Coordination. The Group's cash input and outputs are tracked daily, monthly cashflow budgets, weekly, and annual cashflow budgets via monthly cashflow reports.

b-1) Credit Risk Management :

Credit Risk is the risk of a customer or other party not being able to perform the liabilities in the agreement. Our Company's collction risk is basically sourced from trade receivables. Bad debt risk is fairly low, since a significant part of trade receivables are to be collected from the world's and Turkey's prominent chassis truck producers and public institutions, and since export product payments are either collected in cash or via letters of credit.

b-1) Credit Risk Management :

	31 DECEMBER 2012					31 DECEMBER 2011				
	RECEIVABLES				CASH AND CASH EQUIVALENTS	RECEIVABLES				CASH AND CASH EQUIVALENTS
	TRADE RECEIVABLES		OTHER RECEIVABLES			TRADE RECEIVABLES		OTHER RECEIVABLES		
	RELATED PARTY	OTHER PARTY	RELATED PARTY	OTHER PARTY	DEPOSIT IN BANKS	RELATED PARTY	OTHER PARTY	RELATED PARTY	OTHER PARTY	DEPOSIT IN BANKS
MINIMUM LOAN RISK EXPERIENCED AS OF REPORTING DATE	2.718.069	56.942.762		5.156.101	319.033	18.342	31.475.841		1.830.476	2.593.884
(A+B+C+D+E) (ANNOTATIONS 3,5)										
Insured part of minimum risk via warrant etc										
A, Net book value of financial assets that are undue or did not decrease in value	2.718.069	56.942.762			319.033	18.342	31.475.841		1.830.476	2.593.884
B, Net Book Value of Financial Assets that are renegotiated, else overdue or decreased in value										
C, Net book value of financial assets that are overdue but did not decrease in value										
Insured part via warrant etc,										
D, Net book value of assets that decreased in value										
Overdue (gross book value)		1.062.199					943.840			
Value decrease(-)		(1.062.199)					(943.840)			

b-2) Liquidity Risk Management

The Group manages liquidty risk via matching terms of financial assets and liabilities by pursuing cashflow regularly. Prudent liquidity risk management represents keeping sufficient cash, using sufficient loan operations and fund resources and the power to close out market positions. Risk of existing funding and possible future payable needs; is managed by accessing reliable creditors in adequate number.

LIQUIDITY RISK

31 DECEMBER 2011	BOOK VALUE	CASH OUTFLOW TOTAL AS PER AGREEMENT (=I+II+III+IV)	LESS THAN 3 MONTHS (I)	BETWEEN 3-12 MONTHS (II)	BETWEEN 1-5 YEARS (III)	MORE THAN 5 YEARS (IV)
NON-DERIVATIVE FINANCIAL LIABILITIES						
BANK LOANS	57.986.149	57.986.149	16.226.991	33.563.762	8.195.396	
NOTES PAYABLE ISSUES	3.792.964	3.792.964	2.563.825	1.229.139		
FINANCE LEASE OBLIGATIONS	736.742	736.742	124.334	335.793	276.615	
TRADE PAYABLES	35.572.046	35.572.046	34.891.895	680.151		
OTHER PAYABLES	2.516.141	2.516.141	2.516.141			
TOTAL	100.604.042	100.604.042	56.323.186	35.808.845	8.472.011	

31 DECEMBER2011	BOOK VALUE	CASH OUTFLOW TOTAL AS PER AGREEMENT (=I+II+III+IV)	LESS THAN 3 MONTHS (I)	BETWEEN 3-12 MONTHS (II)	BETWEEN 1-5 YEARS (III)	MORE THAN 5 YEARS (IV)
NON-DERIVATIVE FINANCIAL LIABILITIES						
BANK LOANS	39.375.601	39.375.601	11.135.878	18.001.532	10.238.191	
ISSUANCE OF DEBT SECURITIES		-				
FINANCE LEASE OBLIGATIONS	117	117	117			
TRADE PAYABLES	22.827.113	22.827.113	22.237.215	589.898		
OTHER PAYABLES	1.561.886	1.561.886	1.561.886			
TOTAL	63.764.717	63.764.717	34.935.096	18.591.430	10.238.191	

b-3) Market Risk Management

Market risk represents the risk of changes in foreing exchange and interest rates, that effects Company's incomes and financial instruments values. Purpose of market risk management is; to optimize gaining, manage and control the market risk experienced within accaptable parameters.

Company experiences foreign exchange risk due to various income and cost items in foreign currencies, and due to the foreign currency payables, receivables and financial debts sourcing from these.

b-3-1) Foreign Exchange Risk Management

Company experiences foreign exchange risk due to various income and cost items of foreign currencies and sourcing from these, due to foreign payables, receivables and financial payables.
When it is necessary in terms of financial assets and liabilities in foreign currencies, the Company keeps the risk at an agreeable level by buying and selling foreign currencies at spot rates.

In order to minimize the foreign exchange risk in the balance sheet, the Company sometimes keeps its idle cash as foreign currency.

Foreign Currency Position

Foreign currency risk is the risk that sources from the change inany kind of financial instruments value according to the changes in foreign currencies. Mentioned risk constitutes of basic foreign currencies, such as US Dollar and Euro. As of 31.12.2012 and 31.112.2011, Company's foreign currency position originates from foreign currency based asset and payables, shown in the chart.

Foreign currency position as of 31.12.2012 and 31.12.2012 is shown in the below:

FOREIGN CURRENCY POSITION SHEET									
	31.12.2012						31.12.2011		
	TL EQUIVALENT	U.S.A. DOLLAR	Euro	Sek	Rub	G bp	TL EQUIVALENT	U.S.A. DOLLAR	Euro
1. TRADE RECEIVABLES	43.514.035	10.912.515	10.224.865	57.200		0	17.798.240	5.823.000	2.782.214
2A. MONETARY FINANCIAL ASSETS (INCLUDING BANK AND SAFE ACCOUNTS)	2.163.057	15.517	908.023			0	2.355.138	929.573	245.219
2B. NON-MONETARY FINANCIAL ASSETS	3.386.383	498.910	981.513		3.250.735		1.509.624	249.966	424.529
3. OTHER							0	0	0
4. CURRENT ASSETS	49.063.476	11.426.943	12.114.401	57.200	3.250.735	0	21.663.002	7.002.539	3.451.962
5. TRADE RECEIVABLES							0	0	0
6A. MONETARY FINANCIAL ASSETS	10.229	3.100	2.000				5.856	3.100	0
6B. NON-MONETARY FINANCIAL ASSETS							0	0	0
7. OTHER							0	0	0
8. FIXED ASSETS (5+6+7)	10.229	3.100	2.000	0		0	5.856	3.100	0
9. TOTAL ASSETS (4+8)	49.073.705	11.430.043	12.116.401	57.200		0	21.668.857	7.005.639	3.451.962
10. TRADE PAYABLES	12.143.371	1.771.926	3.805.858			12.017	4.538.685	1.354.662	810.158
11. FINANCIAL LIABILITIES	46.268.317	11.662.320	10.834.318				28.303.595	5.227.617	7.541.185
12A. MONETARY OTHER LIABILITIES									
12B. NON-MONETARY OTHER LIABILITIES	7.342.289	1.046.087	2.329.181				18.490.738	5.646.268	3.202.186
13. SHORT-TERM LIABILITIES (10+11+12)	65.753.977	14.480.334	16.969.357	0		12.017	51.333.017	12.228.546	11.553.530
14. TRADE PAYABLES							0	0	0
15. FINANCIAL LIABILITIES	11.986.721	3.354.154	2.554.581				10.238.191	4.734.695	529.841
16A. MONETARY OTHER LIABILITIES							0	0	0
16B. NON-MONETARY OTHER LIABILITIES							0	0	0
17. LONG-TERM LIABILITIES (14+15+16)	11.986.721	3.354.154	2.554.581	0		0	10.238.191	4.734.695	529.841
18. TOTAL LIABILITIES (13+17)	77.740.699	17.834.487	19.523.937	0		12.017	61.571.208	16.963.241	12.083.371
19. NET ASSET/(LIABLITY) POSITION OF OFF BALANCE DERIVATIVE TOOLS (19A-19B)									
19A. HEDGED TOTAL ASSET AMOUNT									
19B. HEDGED TOTAL LIABLITY AMOUNT									
20. NET FOREIGN CURRENCY ASSET/ (LIABILITY) POSITION (9-18+19)	-28.666.994	-6.404.445	-7.407.537	57.200		-12.017	-39.902.351	-9.957.602	-8.631.409
21. MONETARY ITEMS NOT FOREIGN CURRENCY ASSET/(LIABILITY) POSITION (IFRS 7,B23) (1+2A+5+6A-10-11-12A-14-15-16A)	-24.711.088	-5.857.268	-6.059.868	57.200		-12.017	-22.921.237	-4.561.300	-5.853.752
22. TOTAL FAIR VALUE OF FINANCIAL INSTRUMENTS USED FOR FOREIGN CURRENCY HEDGES									
23. EXPORTATION		73.589.327						32.046.561	
24. IMPORTATION		17.876.899						14.523.475	

Interest position sensitivity analysis statement as of 31.12.2012 and 31.12.2011 is as follows:

INTEREST POSITION STATEMENT		
	31.12.2012	31.12.2012
	APPRECIATION OF FOREIGN CURRENCY	DEPRECIATION OF FOREIGN CURRENCY
In case that USD appreciates by 10% against TL:		
1- USD NET ASSET / LIABILITY	-1.043.908	1.043.908
2- PROTECTED PART, FROM USD RISK (-)		
3- USD NET EFFECT (1+2)	-1.043.908	1.043.908
In case that EUR appreciates by 10% against TL:		
4- EUR NET ASSET / LIABILITY	-1.250.565	1.250.565
5- PROTECTED PART, FROM EUR (-)		
6- EURO NET EFFECT (4+5)	-1.250.565	1.250.565
TOTAL (3+6+9+12)	-2.294.472	2.294.473

	31.12.2011	31.12.2011
	APPRECIATION OF FOREIGN CURRENCY	DEPRECIATION OF FOREIGN CURRENCY
In case that USD appreciates by 10% against TL:		
1- USD NET ASSET / LIABILITY	-862.170	862.170
2- PROTECTED PART, FROM USD RISK (-)		
3- USD Net Effect (1+2)	-862.170	862.170
In case that EUR appreciates by 10% against TL:		
4- EUR NET ASSET / LIABILITY	-1.430.540	1.430.540
5- PROTECTED PART, FROM EUR (-)		

b-3-2-) Interest Position Sensitivity Analysis:

Interest position sensitivity analysis statement as of 31.12.2012 and 31.12.2011 is as follows:

INTEREST POSITION STATEMENT			
		CURRENT PERIOD 31.12.2012	PRIOR PERIOD 31.12.2011
	FIXED-INTEREST FINANCIAL INSTRUMENTS		
FINANCIAL ASSETS	ASSETS WITH FAIR VALUE DIFFERENCES REFLECTED ON PROFIT / LOSS*		
	MARKETABLE FINANCIAL ASSETS **		
FINANCIAL LIABILITIES		19.230.964	26.397.609
	FLOATING – INTEREST FINANCIAL INSTRUMENTS		
FINANCIAL ASSETS			
FINANCIAL LIABILITIES		42.548.150	12.977.992

* One of financial instruments with interest, classified as assets with fair value differences reflected on profit/loss.

** One of financial instruments with interest, classified as marketable assets.

Financial liabilities of the Company exposes the company to interest rate risk. Its financial liabilities are mainly loans with spot interest rates. If the liabilities with floating interest rates in USD, EUR and TL compared to the current balance sheet position were 100 basis points 1% higher/lower, given all other variables unchanged; profit before tax would approximately be TL 206.638 (TL 73.091 in 31.12.2011) higher / lower.

b-3-3-) Other Price Risks :

Equity Price Sensitivity

Since the Group does not have any investment in shares in 31 December 2012 financial statements, sensitivity analysis is not conducted. (31.12.2011 – None.)

NOTE: 39 FINANCIAL INSTRUMENTS

(FAIR VALUE STATEMENTS AND DISCLOSURES IN THE CONTEXT OF FINANCIAL RISK PROTECTION ACCOUNTING)

31 DECEMBER 2012	OTHER FINANCIAL ASSETS WITH AMORTISATION VALUE	LOANS AND RECEIVABLES	MARKETABLE ASSETS	FINANCIAL ASSETS WITH FAIR VALUE DIFFERENCES (PROFIT/LOSS)	OTHER FINANCIAL ASSETS WITH AMORTISATION VALUE	REGISTERED VALUE	FAIR VALUE	FOOTNOTE
FINANCIAL ASSETS								
CASH AND CASH EQUIVALENTS	2.902.259					2.902.259	2.902.259	3
TRADE RECEIVABLES		59.660.831				59.660.831	59.660.831	5
FINANCIAL INVESTMENTS								
FINANCIAL LIABILITIES								
FINANCIAL LIABILITIES					62.515.855	62.515.855	62.515.855	4
TRADE PAYABLES					35.572.046	35.572.046	35.572.046	5
OTHER FINANCIAL LIABILITIES					3.792.964	3.792.964	3.792.964	4

31 DECEMBER 2011	OTHER FINANCIAL ASSETS WITH AMORTISATION VALUE	LOANS AND RECEIVABLES	MARKETABLE ASSETS	FINANCIAL ASSETS WITH FAIR VALUE DIFFERENCES (PROFIT/LOSS)	OTHER FINANCIAL ASSETS WITH AMORTISATION VALUE	REGISTERED VALUE	FAIR VALUE	FOOTNOTE
FINANCIAL ASSETS								
CASH AND CASH EQUIVALENTS	5.360.843					5.360.843	5.360.843	6
TRADE RECEIVABLES		31.475.841				31.475.841	31.475.841	10
FINANCIAL INVESTMENTS								
FINANCIAL LIABILITIES								
FINANCIAL LIABILITIES					39.375.601	39.375.601	39.375.601	8
TRADE PAYABLES					22.827.113	22.827.113	22.827.113	10
OTHER FINANCIAL LIABILITIES								

NOTE: 40 POST-BALANCE SHEET EVENTS:

None. (31.12.2011 - None.)

NOTE: 41 OTHER ISSUES HIGHLY EFFECTING FINANCIAL STATEMENTS OR REQUIRE DECLARATION FOR STATEMENTS TO BE NET, INTERPRETABLE AND COMPREHENSIBLE

None. (31.12.2011 - None.)

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