



**KATMERCİLER ARAÇ ÜSTÜ EKİPMAN  
SANAYİ VE TİCARET A.Ş.**

**ACTIVITY REPORT of JANUARY 01, 2011 - MARCH 31, 2011**



## SHAREHOLDING STRUCTURE and CAPITAL DISTRIBUTION

Common Capital Stock : 12,500,000 TL

Shareholders	Share Amount (TL)	%
İsmail Katmerci	7,264,166.70	58.11
Publicly-held Part	3,035,833.30	24.29
Other	2,200,000.00	17.60
<b>Grand Total</b>	<b>12,500,000.00</b>	<b>100.00</b>

Share with a par value of 35,833.30 TL owned by our investors who, by keeping the our Company's shares they have purchased in the initial public offer for a period of 90 days up to February 08, 2011, are qualified to be awarded with 5% shares based on the Bonus Share Incentive under the Initial Public Offering Incentives are passed to their accounts as of February 22, 2011.

## CHARTER AMENDMENTS IN THE PERIOD AND THEIR GROUNDS

No amendment has been made in the Charter between 01.01.2011 - 31.03.2011.

## NATURE AND AMOUNT OF CAPITAL MARKET INSTRUMENTS ISSUED IN THE PERIOD

Katmerciler has not issued any capital market instrument in the period of 01.01.2011 – 31.03.2011.

## MEMBERS TO BOARDS OF DIRECTORS AND SUPERVISORS

Elections for members to Boards of Directors and Supervisors are carried out by General Assembly pursuant to our Company Charter, Turkish Code of Commerce, and relevant regulations. 2010 Regular General Assembly of the Company was held on 11.05.2011.

### a) Board of Directors and Supervisors :

Members to the Boards of Directors and Supervisors, elected in our Company's General Assembly dated 11.05.2011, are as follows.

Board of Directors	Function	Date of Function Commencement	Date of Function End
Mehmet Katmerci	Chairman to Board of Directors, General Director	11.05.2011	11.05.2012

Furkan Katmerci	Deputy Chairman of Board of Directors	11.05.2011	11.05.2012
Havva Katmerci	Member to Board of Directors	11.05.2011	11.05.2012

Board of Supervisors	Function	Date of Function Commencement	Date of Function End
Osman Gürbüz Özkara	Member to Board of Supervisors	11.05.2011	11.05.2012
Erkan Gül	Member to Board of Supervisors	11.05.2011	11.05.2012

### Competences and Responsibilities of Members to Board of Directors and Supervisors

Competences and responsibilities of Members to Board of Directors are regulated in Articles 10, 16, and 17 of Company Charter.

Articles 21 and 22 of the Company Charter regulate duties, competences, and responsibilities of the members to Supervisory Board.

#### b) Committee Responsible for Supervision

Members to the Committee Responsible for Supervision consist of Furkan Katmerci, Deputy Chairman of Board of Directors, and Havva Katmerci, Member to Board of Directors, who are not executive members.

The committee responsible for supervision shall provide support to the board of directors in order to ensure supervision of publicizing the accounting system and financial data of the company and of operation and effectiveness of the internal control system.

#### c) Changes in Top Management throughout the Year and Details of Currently Functioning Managers

No changes took place in the management of our company within this period. Our managers are as follows:

NAME-SURNAME	TITLE	PROFESSION	PROFESSIONAL EXPERIENCE
Mehmet Katmerci	Chairman to Board of Directors, General Director	Businessman	18 Years
Gökmen Ölçer	Financial Affairs Coordinator	Financial Advisor	18 Years

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**SECTOR OF ACTIVITY OF THE COMPANY AND ITS POSITION IN THE SECTOR**

In the first three months of 2011 total export was 5 billion USD, out of which 3 billion USD was for Automotive Main Industry Export and 2 billion USD was for Supplier Industry Export.

Compared to the same period of 2010, Main Industry export increased by 3% and Supplier Industry Export increased by 29%. Total export of the industry has increased by 12% compared to the same period of 2010. (TAYSAD)

On-board Equipment Sector, in which our Company is active, is considered as a Sub-sector of Automotive Supplier Industry.

Domestic and foreign production and sales figures of our company are statistically included in the automotive supplier industry figures.

<b>AUTOMOTIVE SUPPLIER INDUSTRY EXPORT</b>		
	<b>USD</b>	
	<b>January 31 - March 31, 2011</b>	<b>January 31 - Wednesday, March 31, 2010</b>
Turkey	2,027,321,302	1,570,960,507
Katmerciler	4,016,523	4,646,960
Share of Katmerciler	0.20%	0.29%

Source: TİM ([www.tim.org.tr](http://www.tim.org.tr))

**PRODUCTION and CAPACITY**

	<b>January 01 - March 31, 2011</b>			<b>January 01 - March 31, 2010</b>		
	<b>CAPACITY QUANTITY</b>	<b>PRODUCTION QUANTITY</b>	<b>RoCU %</b>	<b>CAPACITY QUANTITY</b>	<b>PRODUCTION QUANTITY</b>	<b>RoCU %</b>
Garbage	47	153	326	47	73	155
Firefighting	173	16	9	173	49	28
Tipper	72	4	6	72	134	187
Jetting and Cleaning	24	3	13	24		-
Vacuum	18	12	69	18	1	6
Tanker	69	11	16	69	82	120
Sweeper	3	8	267	3		-
Trailer	8		-	8		-
Other	22	21	97	22	5	23
<b>General RoCU (%)</b>			<b>53%</b>			<b>79%</b>

The Rate of Capacity Utilization of our Company in the period of January 01 - March 31, 2011 has been realized as 53%, corresponding to an equipment production of 228 items.

**SALES AND ANNUAL PERFORMANCE OF**

**COMPANY Brief Income Statement**

	(Not subject to Independent Audit)	(Not subject to Independent Audit)
	Current Period	Previous Period
(TL)	March 31, 2011	Wednesday, March 31, 2010
Income from Sales	13,043,175	16,617,335
Business Income	2,697,045	3,687,223
Pre-tax Profit	2,593,228	3,870,673
Net Profit of Period	2,005,450	2,991,803
Depreciation Interest and Pre-tax Income (FAVÖK)	2,798,618	3,767,587
Earnings per share	0.16	0.85

QUANTITIES SOLD	01 January - 31 March 2011	01 January - 31 March 2010
Garbage	144	73
Firefighting	12	49
Tipper	4	134
Jetting and Cleaning	3	
Vacuum	9	1
Tanker	7	82
Sweeper	8	
Other	21	5
<b>Total</b>	<b>208</b>	<b>344</b>

<b>Brief</b>	<b>(Not subject to Independent Audit)</b>	<b>(Not subject to Independent Audit)</b>
<b>(TL)</b>	<b>Current Period March 31, 2011</b>	<b>Previous Period Friday, December 31, 2010</b>
Current Assets	39,949,188	38,947,047
Fixed Assets	21,604,727	20,602,676
Total Assets	61,553,915	59,549,723
Short term Liabilities	22,952,453	24,609,672
Long term Liabilities	9,433,878	8,466,208
Equity	29,167,584	26,473,844
Total Liabilities	61,553,915	59,549,723

## **STATUS OF BENEFITING DEVELOPMENTS AND INCENTIVES IN INVESTMENT**

### R&D Activities

The company has applied to TUBITAK Technology and Innovation Support Programs Department on 31.03.2011 to utilize incentive support for realized 190,000 TL part of the 45 m Telescopic Boom Ladder Development Project.

### Investments

Regarding our new investment activity which we have announced on 01.03.2011 through Public Informative Platform, an expense of 221,980 TL has been made in the period of 01.01.2011 – 31.03.2011.

## **DIVIDEND POLICY**

Based on Board of Directors Resolution number 2011/12 dated 25.02.2011, the dividend distribution policy of our company for 2010 and following years has been laid down and the issue is shared with the shareholders in 2010 Regular General Assembly held on 11.05.2011.

Principles on dividend distribution are regulated in Article 34, "Determining and Distribution of Profit" of the Company Charter, in accordance with relevant provisions of Turkish Code of Commerce and Capital Market Law.

## **SOURCES OF FINANCING AND RISK MANAGEMENT POLICIES**

Explanations on financing and risk management policies of our Company are stated in the footnote number 38 of Interim Period Financial Reports dated 31.03.2011.

## PREVISIONS ON COMPANY DEVELOPMENT

Our company will continue R&D investments in 2011 towards the strategic targets and shall accelerate efforts for branding and institutionalization. With such developments our Company is anticipating to continue to be the most profitable company in the sector, by maintaining high level of profitability also in 2011, thanks to its capacity to offer innovative products.

## PERSONNEL AND WORKER MOVEMENTS, RIGHTS AND BENEFITS OFFERED TO EMPLOYEES

Number of our personnel members as of 31.03.2011 is 231 employees in total, out of which 48 employees are members of administrative personnel and 183 are members of blue collar personnel.

## DONATIONS

Total amount of donations and aids made by the Company in Turkey in the period of 01.01.2011 – 31.03.2011 is 200 TL. (31.12.2010 : 14,075 TL)

## ORGANIZATIONS OUT OF HEADQUARTERS

There are no organizations out of headquarters.

## INFORMATION ON PARTNERSHIPS SUBJECT TO CONSOLIDATION

Main areas of activity of companies included in the consolidation and ratios of partnership of the Parent Company in the companies are as follows:

<u>Subsidiaries</u>	<u>Area of Activity</u>	<u>Group's Share of Partnership ( %)</u>	
		<u>December 31, 2010</u>	<u>December 31, 2009</u>
Katmerciler Profil Sanayi ve Ticaret A.Ş	Painting workmanship	93,33	93,33
Isıpan Otomotiv ve Üst Ekipman Metal Makine San. ve Tic.A.Ş	Welding workmanship	89,00	–

Consolidation took place in the body of Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş., which is the parent company.

Accounting policies applied by companies included in the consolidation is brought in harmony with the accounting policies of the Parent Company. All transaction, balances, income and expenses in the group are eliminated in the consolidation.

## COMPANY DISCLOSURE POLICY

"Disclosure Policy", which was prepared within the framework of SPK Corporate Governance Principles Section II, Article 1.2 for informing public in the most effective, efficient and rapid manner and was enforced based on Board of Directors Resolution number 2011/13 dated 25.02.2011, is available in the annual activity report and on Company website ([www.katmerciler.com.tr](http://www.katmerciler.com.tr)). Company Disclosure Policy was shared with our Shareholders in 2010 Regular General Assembly held on 11.05.2011.

#### **STATEMENT of COMPLIANCE with CORPORATE GOVERNANCE PRINCIPLES**

The Company believes in full compliance with the Corporate Governance Principles, published in 2003 and finalized with a revision in 2005 by Capital Markets Board. Said principles are assumed by the company.

Report on Compliance with Corporate Governance Principles will be updated annually and only updated sections are included in the interim period reports, the whole report is not published. The whole Report is available in 2010 Activity Report and on Company website ([www.katmerciler.com.tr](http://www.katmerciler.com.tr)).

#### **Informing Investors in the Period of 01.01.2011 – 31.03.2011**

Number of informative phone calls	3
Number of informative e-mails	5

#### **Details of General Assembly**

Company **Regular General Assembly** was held on 11.05.2011, at the company headquarters. Informative Document on 2010 Regular General Assembly, Meeting Minutes, List of Attendants, Supervisor Report is available on the Company Website ([www.katmerciler.com.tr](http://www.katmerciler.com.tr)).

#### **Special Case Explanations**

The Company has made 15 special case explanations in the period of 01.01.2011 - 31.03.2011. There were no cases where additional clarifications requested by SPK or IMKB regarding the explanations announced to public in the relevant period. Since the Company does not have any capital market instrument listed on foreign stock markets, there are no special case explanations present out of IMKB. Since all of the special case explanations were made within the time period stipulated by law, no sanctions were applied by SPK.

#### **Financial Rights Granted to the Board of Directors**

Amounts and types of rights to be granted to the Members of Board of Directors based on Company Charter shall be determined annually by regular general assembly. A monthly or yearly wage or a certain amount is payable per meeting. Total of gross payment made to members of board of directors in the period 01.01.2011 - 31.03.2011 is 54,866.