



'14  
annual  
report

## The 43<sup>rd</sup> Ordinary General Meeting of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Date: 25.05.2015 Time: 2.30 p.m.

Venue: Company Headquarters - Emek Mahallesi Aşiroğlu Caddesi No: 147 41700 Darıca/ KOCAELİ

### Agenda of the Ordinary General Meeting of Shareholders

1. Opening and election of Council
2. To empower the Council to sign the Minutes of the General Meeting and the attendance list,
3. To read and discuss the Report of the Board of Directors for the year 2014.
4. To read the Report of Independent Auditors for the year 2014,
5. To read, to discuss and to ratify the Consolidated Financial Statements for the year 2014,
6. Acquittal and release of the Board Members from the Company's activities for the year 2014,
7. Discussing and determining the mode of using the profit generated in the year 2014, the percentages of the profit and dividend shares as well as the date of distribution,
8. Providing information to the shareholders on the securities, pledges and mortgages granted by the Company in the favour of 3<sup>rd</sup> parties,
9. Pursuant to the regulations of the Capital Markets Board, providing information to the shareholders on the donations and aids granted by the Company as social contributions in the year 2014 and determining an upper limit for the donations and aids to be granted in the year 2015,
10. Pursuant to the regulations of the Capital Markets Board, providing information to shareholders on the principles applicable to the remuneration of the Board Members and Senior Executives,
11. Approval of Çağdaş Bağımsız Denetim Serbest Muhasebeci Mali Müşavirlik A.Ş. appointed by the Board of Directors for a period of one year for carrying out independent audits of the Company in accordance with the provisions of the Capital Markets Board and Turkish Commercial Code.
12. Approval of the decision on amending Article 10 of the Articles of Incorporation based on the permit no. 923 of 14.04.2015 issued by the Capital Markets Board and permit no. 7300147/431.02 of 22.04.2015 issued by the Ministry of Customs and Trade (see page 151, Annex-1),
13. To determine the salaries and benefits of the members of the Board of Directors,
14. In accordance with the regulations of the Capital Markets Board, election of the two independent directors nominated by the Board of Directors, to determine their term of office and gross monthly salaries,
15. To empower the members of the Board of Directors to practice the transactions under the 395<sup>th</sup> and 396<sup>th</sup> articles of the Turkish Commercial Code and in accordance with the regulations of the Capital Markets Board,
16. Wishes and proposals, the meeting adjourns.

### Sarkuysan's I.D.

**The Name of the Company:** Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Date of Foundation:** 03.05.1972

**Registered Capital:** TL 200.000.000

**Paid-up Capital:** TL 100.000.000

**Trade Registry Number:** 13898

**Mersis No:** 0751001576100014

**Venue of Registration:** Gebze Trade Registry Office

**Address:** Emek Mahallesi Aşiroğlu Caddesi

No: 147 41700 Darıca / KOCAELİ

**Telephone:** 90 262 676 66 00 (20 lines)

**Telefax:** 90 262 676 66 80 / 262 676 66 81 / 262 676 66 83

**E-mail:** info@sarkuysan.com

**Website:** www.sarkuysan.com

### Contents

Sarkuysan's Profile

Agenda of the Ordinary

General Meeting

Our Mission, Vision

1

History

Chairman's Message

Board of Directors

Management

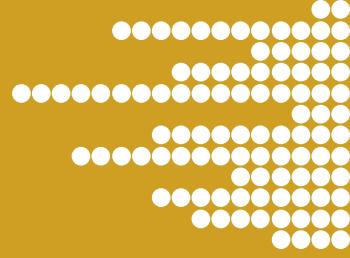
Capital Structure

Financial Position

Subsidiaries and Affiliates

### 2014 Operations

• Investments	14	Internal Auditing	26
• Information on Production	15	Corporate Risk Management and	
• Production Plants	15	Board of Directors' Assessment	26
• Production	16	Independence Statements of the	
• Products	18	Board Members	28
• Sales	19	Disclosure	30
• Research and Development		Guarantees, Pledges, Mortgages	
Operations	20	Furnished by the Company	33
• Quality Policy	21	Dividend Distribution Policy	34
• Energy Policy	22	Dividend Distribution Proposal	35
• Environment, Occupational		Independent Auditor Report on	
Health and Safety Policy	22	Annual Report of the Board of	
• Human Resources	23	Directors	37
• Financial Rights Granted to		Independent Auditors' Report	
Board Members and Senior		on the Financial Statements	
Executives	23	Amendment of Articles of	
• Social Responsibility	24	Association	131
• Donations and Grants	24	Directory	132
• Targets Achieved	25		



# Mission and Vision Statements



## Our Vision

Our vision is to make competitive, innovative, customer focused and eco-friendly production as a world class company in compliance with the international quality systems in the electrolytic copper sector.

## Our Mission

With the sense of responsibility of being a successful publicly owned corporation in the history of industrialization of the country, our mission is to strive to provide the highest benefit to our shareholders, employees, customers and the country as a respectable, dependable and modern company both in the domestic and international Electrolytic Copper Industry as well as to add value to the society through the social responsibility projects.

## History



Sarkuysan  
Live and let live -  
Cihan BEKTAŞ  
(1928-2002)

We remember with respect all the dear members of our family who passed away.

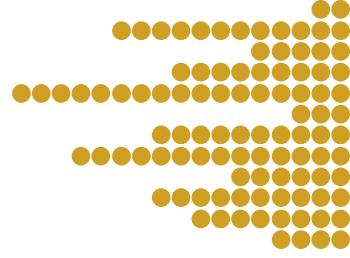
The company has a special place in the history of industrialization of the country as the first successful 100% publicly held corporation. The production plants of Sarkuysan are located in Gebze and Darica, 40 kilometres from Istanbul on the premises on an area of 180.000 square metres and with a covered area of over 77.000 square metres where electrolytic copper products, copper tube and bus bars are produced. Over the years the company has increased annual production capacity to above 200.000 tonnes which was 10.000 tonnes at the initial stage, thus a global standard has been achieved. The products are used as standard inputs in electro-technical, electronics, motor, communication, electricity generation and distribution, solar power, household appliances, measuring devices, defence, automotive, chemicals, construction, heating-ventilation and sanitary installation sectors. Sarkuysan is certified with TS EN ISO 9001, ISO/TS 16949 Quality, ISO 14001 Environment, OHSAS 18001 Occupational Health and Safety, and ISO 50001 Energy Management

Founded by the gold dealers of the Covered Bazaar, an important centre of commerce in Istanbul in 1972 to produce electrolytic copper products, the company derives its name from the first syllables and three letters of the founders' professions (SARraf: Gold dealer; KUYumcu: Jeweller; SANatkar: Artist)

Systems certificates for all operations carried out. The company uses "sks" brand on its products and meets a substantial part of the domestic demand while exporting approximately half of its output to more than 60 countries in 5 continents.

It is estimated that a significant number of the cars and commercial vehicles produced in Europe currently use Sarkuysan wires. The company has been selling oxygen-free and nickel plated copper wires to the suppliers of NASA in the USA for years and to the aircraft manufacturers recently.

Among 674 staff members in total, approximately 90% of the employees working in the production units have either vocational school or high school degrees and they attend in-house and external training programs every year.



The Company manufactures a significant portion of its own machinery or plants to be used in-house. In addition, a considerable portion of power and steam requirement of the Company is generated at the power generator on its premises. Sarkuysan, utilizing its own know-how and technological information accumulated during a period of 40 years, obtains successful results both at home and abroad.

Sarkuysan is a group of companies. BEMKA A.Ş., an enamelled winding wire and cable manufacturer in Gebze and Tuzla Industrial Zones, one of the leading companies in Turkish cable industry with production capacity of 27.000 tonnes/year, has become a part of our Group in the final quarter of the year 2012 as a result of 57.3% contribution to its capital equal to TL 35.000.000 in total.

SARMAKINA A.Ş. operating in machinery and replacement parts manufacturing and environmental protection technologies field, DEMISAŞ A.Ş. producing pig and nodular cast iron for automotive and machinery manufacturing sectors, SARDA A.Ş. a marketing and trade company and BEKTAŞ A.Ş. are the sister companies in the group. SARKUYSAN has a representative office in Italy and a sales and marketing company, SARK-USA established in 2002 in the U.S.A. which are two important countries for direct marketing of its products within the scope of its intensive export operations. In addition, SARK-WIRE situated in the U.S.A started production operations in its facilities located in Albany- capital of New York state by the end of the year 2009. Thus, it became a pioneer Turkish corporation carrying out production operations in the USA.

In addition, Sarkuysan's plants in Aegean Free Trade Zone produce and export products with high added value.

As a company that is aware of its social responsibilities, Sarkuysan develops social projects in all fields.

In this context, Frej Han, renovated and used as Company Headquarters for years is an important contribution to our cultural legacy, and the Company contributed to education by building Sarkuysan High School in Gebze, Sarkuysan Elementary School in Darica and granting non-refundable scholarships to higher education students; religious affairs with the Sarkuysan Mosque built as a complex in Ottoman Architectural style; health by allocating the funds reserved in the beginning of the year for the urgent medical device needs of a health institution; sports with its Table Tennis Team that frequently represents our country successfully in the European Cup Championship; arts with the Turkish Music Choir, Folk and Modern Dance Groups consisting of its employees; environment by developing forestation and planting areas; and promotion of our country by hosting international events.

As a corporation, with approximately 5.000 shareholders, that supplies input materials to numerous sectors in the domestic and international markets under "sks" trademark for the production of many modern industrial products facilitating and adding colour to life and creates substantial added value with significant employment opportunities increasing every year, the foreign currencies brought to the country, taxes paid and profits shares distributed, Sarkuysan is a dynamic, world-class publicly-held corporation with its modern production and corporate organization governed by professionals.

## Chairman's Message



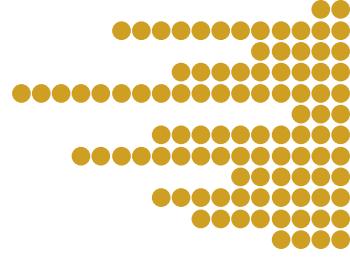
**Hayrettin ÇAYCI**  
Chairman

Welcome to the 43<sup>rd</sup> Ordinary General Assembly.

First, I would like to express that, on June 30, 2015, I will resign from my position as the President I have been holding since 1985 upon having completed substantial part of the restructuring process as I had stated in the previous General Assembly. I would like to express my deepest respects to all of you with the confidence of knowing that I have always worked by displaying honesty and self-devotion and attaching the ultimate priority to the interests of our Company and Shareholders in the course of my 30-year service.

I would like to express my deepest respects to all of you with the confidence of knowing that I have always worked by displaying honesty and self-devotion and attaching the ultimate priority to the interests of our Company and Shareholders in the course of my 30-year service.

Sarkuysan is an establishment with nice traditions. One of these traditions is to give priority to our own human resources in promotions. Mr. Sevgür ARSLANPAY, chemical engineer, joined our Company in 1983 as a 22-year old young engineer and he climbed the career steps by serving as Chief, Manager and Vice President with the high performance he displayed in the course of years, and our Board of Directors appointed him as President as of July 1, 2015. I am proud to present him to the esteemed members of the General Assembly. I am confident that, in this position, he will carry Sarkuysan's flag successfully and efficiently. I would like to wish him all the best and extend my appreciation to you, our esteemed Shareholders, for extending myself close collaboration, trust and courtesy in the course of my 30-year service as the President of the Company.



Now, I would like to outline the general economic developments constituting the framework of our operations in the previous year.

In 2014, many unpredictable geopolitical developments particularly including the conflict between Russia, Ukraine and the West, operations of ISIL in Iraq and Syria added up to the ongoing economic crisis and accelerated the recession in the global economy. Therefore, the global economy closed the year 2014 with a poor growth rate around 3% levels. It is observed that the global economy is now under a recession and deflation risk. The budget allocated for general state expenditures is increased with the purpose of overcoming this challenge. European Union is the region that felt this recession at the highest levels. EU Central Bank's bond purchases could not provide a satisfactory remedy. Anticipation on achieving positive economic figures as a result of the expansionary monetary policy implemented by the Central Bank in the United States of America leads to a rapid value loss with the currencies of the developing countries against US dollar. China and Japan also displayed a poor performance in the previous year.

Turkey could only achieve a low growth with the impact of the domestic demand. In contrast to projections, the growth rate did not go beyond 2.9% level. Increased inflation, high unemployment rates and tense relationships with our neighbours do not lead to an optimistic atmosphere and it is anticipated that this risk will persist in the short and medium term.

The most important positive development expected in the new year will be the reduction of chronic current deficit due to the decline in oil prices. Without doubt, the election period will have important impacts on the economy.

In 2014, our Company increased its production and sales in the least despite the prevailing conditions. However, the fact that stock inputs are purchased in USD currency and our sales are realized in Euro created a negative impact on our profitability since USD severely knocked down the USD-Euro parity.

On this occasion, I am pleased to add that the gradually improving performance of our subsidiaries in the USA, encourages us for making new investments.

In addition, I would like to state that we have been accredited with "ISO 50001 Energy Management System Certificate" that will provide guidance on effective use of the depleting energy resources in the World, energy-saving, energy efficiency and all of our operations carried out based in the environmental awareness principles as well as carrying our energy performance to the highest levels.

As a result, official accounting records show that our Company generated a gross profit equal to TL 21.088.499 from its operations in the year 2014. The net profit after taxes is TL 17.462.420.

I would like to thank all colleagues in the Board of Directors and staff members of our Company for making diligent efforts in this activity period. In addition, I would like to remember all of the late members of our community with gratitude and wish that our General Assembly will serve to the good of our Company.

Hayrettin ÇAYCI  
Chairman

## Board of Directors\*



**From Left to Right:** A. Hamdi BEKTAŞ, Turgay ŞOHOĞLU, Hamit MÜCELLİT, Ahmet TOKCAN, Nuray AKMERİÇ, Hayrettin ÇAYCI, Maksut URUN, Mehmet Ali YILDIRIMTÜRK, Ziya AKKURT, Cenap TAŞKIN, Fuat SUCU

### BOARD OF DIRECTORS

Name Surname	Position	Date of Last Election
Hayrettin ÇAYCI	Chairman	28.03.2014
Fuat SUCU	Vice Chairman	28.03.2014
Maksut URUN	Director	28.03.2014
Hamit MÜCELLİT	Director	28.03.2014
A. Hamdi BEKTAŞ	Director	28.03.2014
Cenap TAŞKIN	Director	28.03.2014
Ahmet TOKCAN	Director	28.03.2014
Turgay ŞOHOĞLU	Director	28.03.2014
Mehmet Ali YILDIRIMTÜRK	Director	28.03.2014
Ziya AKKURT	Independent Director	28.03.2014
Nuray AKMERİÇ	Independent Director	28.03.2014

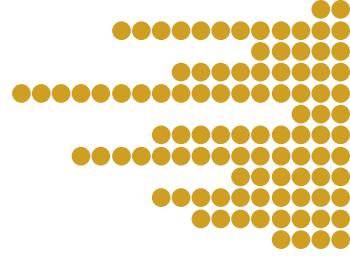
\*as of 31.12.2014

#### Powers:

**Directors:** Stated in Turkish Commercial Code, Capital Market Legislation and Articles of Incorporation.

**Independent Directors:** Stated in Capital Market Legislation and Articles of Incorporation.

**Terms of Office:** Term of office is 3 (three) years for the Directors and 1 (one) year for the Independent Director pursuant to the decision taken in the Ordinary General Assembly held on 28.03.2014.



## Management

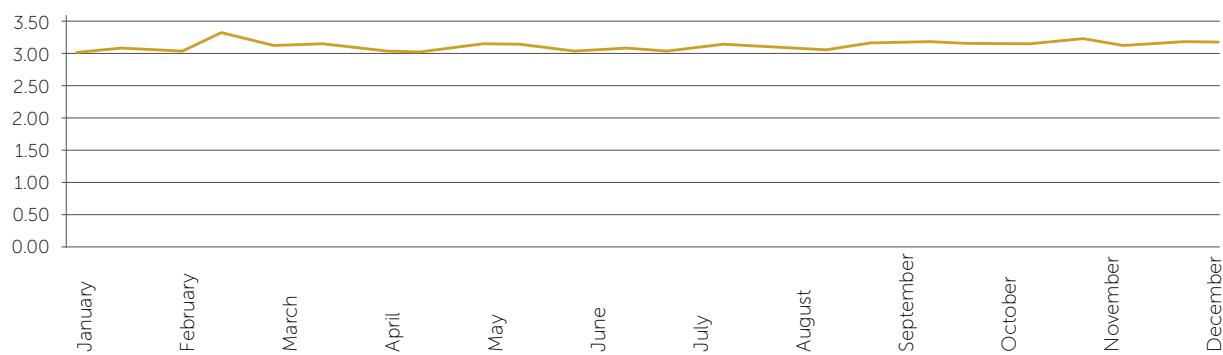


**Hayrettin ÇAYCI**  
Chairman and  
President

Hayrettin ÇAYCI	President- Metallurgical Engineer, M.Sc.
Sevgür ARSLANPAY	Vice President (Technical) -Chemical Engineer
Ümit ULUÇAM	Vice President (Financial)- Business Administrator
Metin YARAŞ	Vice President (Commercial)- Business Administrator
Erhan AKBAŞ	EDP Manager- System Analyst
Mehmet Ali AKOY	R&D Manager- Metallurgical Engineer, M.Sc.
Sabri ATILLA	Administrative Operations Manager- Business Administrator
Murat AYMAN	Maintenance Manager- Marine Engineer
Örmer CANIBEYAZ	Purchase Manager- Mechanical Engineer, M.Sc.
Tolga EDİZ	Continuous Casting Manager- Metallurgical Engineer, M.Sc.
Oğuz ERGÜNGÖR	Human Resources Manager- Economist
Dilek Mine GİNİ	Import Manager- Business Administrator
Emine GÜNDAĞ	Commercial Accounting Manager- Business Administrator (CPA)
Mehmet Uğur ILGAZ	End Production Manager- Metallurgical Engineer, M.Sc.
Faruk Şekip KARŞANBAŞ	Industrial Automation and Electronics Maintenance Manager- Electronics Engineer, M.Sc.
Meryem KAYA	Export Manager- Business Administrator
İlhan KOCAMAN	Quality Assurance Manager- Metallurgical Engineer
Levent Şakir KULAÇ	Refinery Manager- Metallurgical Engineer
Filiz TEKİN SALMANLI	Production and Material Planning Manager- Industrial Engineer
Nezih SÜRMELİ	Sales Manager- Mechanical Engineer
Ferhan TURNAGİL	Cost Accounting Manager- Business Administrator (CPA)
Ercan USER	Domestic Marketing Manager- Business Administrator
Örmer Münci ÜNAL	Tube Plant Manager- Mechanical Engineer
M.Mahir YILDIZ	Export Marketing Manager- Foreign Trade Expert

## Capital Structure

Price Movements of Sarkuysan Stocks on Borsa İstanbul in 2014



Closing price of our company stock that was TL 2,97 on 31.12.2013 on Borsa İstanbul rose to a closing price of TL 2,97 as a result of 4,37% increase achieved on 31.12.2014.

100% of our capital is publicly-traded, and our capital was increased to TL 100.000.000 as a result of capital increase by bonus issue made on 31.05.2012. The current capital structure of the company is shown in the table below:

### Shares Representing the Capital

Stock Type	Paid up Capital (TL)	No. of Shares	Share to Capital Ratio %
Group A Registered	5,-	500	0,000005
Group B Bearer	99.999.995,-	9.999.999.500	99,999995
Total	100.000.000,-	10.000.000.000	100,000000

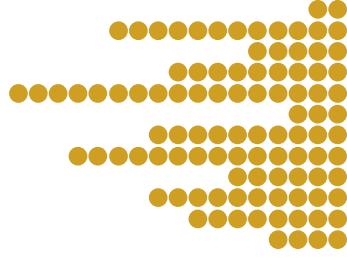
Shares of our board members as of 31.12.2014; Mr. Hayrettin ÇAYCI 7,4%, Mr. A. Hamdi BEKTAS 2,16%. Shares of other board members are below the aforementioned percentages.

Shares of Mr. Mehmet KİLİMCİ and Mr. Şükrü KİLİMCİ who hold the highest number of shares represent 17,56% of the total shares jointly.

On 31.12.2014, the company's share ratio in actual circulation was 65,10% and the company's share ratio in actual circulation increased to 82,62% on 02.01.2015 pursuant to Capital Markets Board's resolution of 30.10.2014 on increasing the ratio of the shares that are not in actual circulation from 5% to 10%.

### Financial Highlights

(TL thousand)	2010	2011	2012	2013	2014
Registered Capital	100.000	100.000	100.000	200.000	200.000
Issued Capital	50.000	50.000	100.000	100.000	100.000
Total Par Value of Shares	4.268	4.268	4.268	4.268	4.268
Total Par Value of Bonus Shares	45.732	45.732	95.732	95.732	95.732
Capital Increase (%)	-	-	100	-	-
Stock Price (TL) (year-end)	4.07	3.94	2.63	2.97	3.10
Addition of Fixed Assets over the Year	1.949	4.275	20.618	44.039	8.950
Total Amount of Dividends Distributed (gross)	5.000	7.500	4.118	17.647	20.000
Total Amount of Dividends Distributed (net)	4.250	6.375	3.500	15.000	17.000
Dividend Rate (gross) (%)	10	15	8,23	17,65	20
Dividend Rate (net) (%)	8,50	12,75	7	15	17



## Overview

Our report covers the period between 01.01.2014 and 31.12.2014. During this period, important developments related with the company were made public and announced to investors through the Public Disclosure Platform (PDP) and on our website.

The Ordinary General Meeting of the shareholders for the year 2013 was held on 28.03.2014 at the Company Headquarters. In this meeting, shareholders representing 77% of the shares were present, whereby board members were discharged for their activities and all of the agenda items were discussed and resolved.

In the board of directors election, Mr. Hayrettin ÇAYCI, Mr. Fuat SUCU, Mr. Maksut URUN, Mr. Hamit MÜCELLİT, Mr. A. Hamdi BEKTAŞ, Mr. Cenap TAŞKIN, Mr. Ahmet TOKCAN, Mr. Turgay ŞOHOĞLU, Mr. Mehmet Ali YILDIRIMTÜRK, were elected as board members.

Pursuant to the Corporate Governance Communiqué issued by the Capital Markets Board, Mr. Ziya AKKURT and Ms. Nuray AKMERİÇ were elected as independent board members as a result of the election held during the General Assembly Meeting of 28.03.2014.

Provisions on electronic general meeting stated in Article 1527 of Turkish Commercial Code have been implemented starting from the year 2013 and, in addition to those attending in person, the shareholders who fulfilled the required procedures in advance attended the General Assembly Meeting on line via the internet.

In 2014, 20% net and 17% cash dividends were distributed to our shareholders from the annual income of the year 2013. Accordingly, cash dividend equal to TL 0,17 was distributed for the share certificate with par value of TL 1. Dividends were distributed on 30.05.2014.

Our internet site has been included in the system developed by the Central Securities Depository pursuant to the provision of paragraph 4 in Article 1524 of Turkish Commercial Code concerning the internet site. Thus, all investors have access to the allocated part of our internet site through CSD portal.

## Financial Position

<b>Key Financial Indicators *</b>			
(thousand TL)	<b>2013</b>	<b>2014</b>	<b>% Change</b>
Total Assets	908.384	875.857	-3,58
Shareholder's Equity	324.576	330.992	1,98
Total Sales (Net)	2.411.858	2.546.169	5,57
Domestic Sales	1.386.754	1.375.484	-0,81
Export Sales	1.025.104	1.170.685	14,20

<b>Financial Ratios*</b>		
	<b>2013</b>	<b>2014</b>
<b>Liquidity Ratios</b>		
Current Ratio (Current Assets/ Current Liabilities)	1,28	1,27
Acid Test Ratio (Current Assets-Inventory/ Current Liabilities)	0,96	0,93
<b>Efficiency Ratios</b>		
Asset Turnover (Net Sales/Total Assets)	2,66	2,91
Account Receivable Turnover (Net Sales/Short-Term Trade Receivables)	5,48	7,06
Inventory Turnover (Cost of Goods Sold/Inventories)	13,57	14,56
Accounts Receivable Collection Period (360/Account Receivables Turnover Rate)	65,69	50,99
Days' Sales Inventory (360/ Inventory Turnover)	26,53	24,73
Inventory Collection Period	92,22	75,72
(Account Receivable Collection Period + Days' Sales Inventory)		
<b>Financial Leverage Ratios</b>		
Debt to Equity Ratio (Total Liabilities/ Total Equity)	1,80	1,65
Equity Ratio (Total Equities/ Total Assets)	0,36	0,38
Debt Ratio (Total Liabilities/ Total Assets)	0,64	0,62
Short-Term Liabilities/ Total Assets	0,59	0,57
<b>Profitability Ratios</b>		
Return on Assets (Income Before Tax/Total Assets)	0,03	0,03
Return on Equity (Income Before Tax/Equity)	0,09	0,08
Profit Margin (Income Before Tax/Net Sales)	0,01	0,01

\*Information on our Consolidated Financial Statements.

The Group took timely measures against both the raw material prices prevailing on the international markets and economic conditions and currency fluctuations encountered in the year 2014, thus it was affected at the minimum level and closed the relevant period by strengthening its financial position.

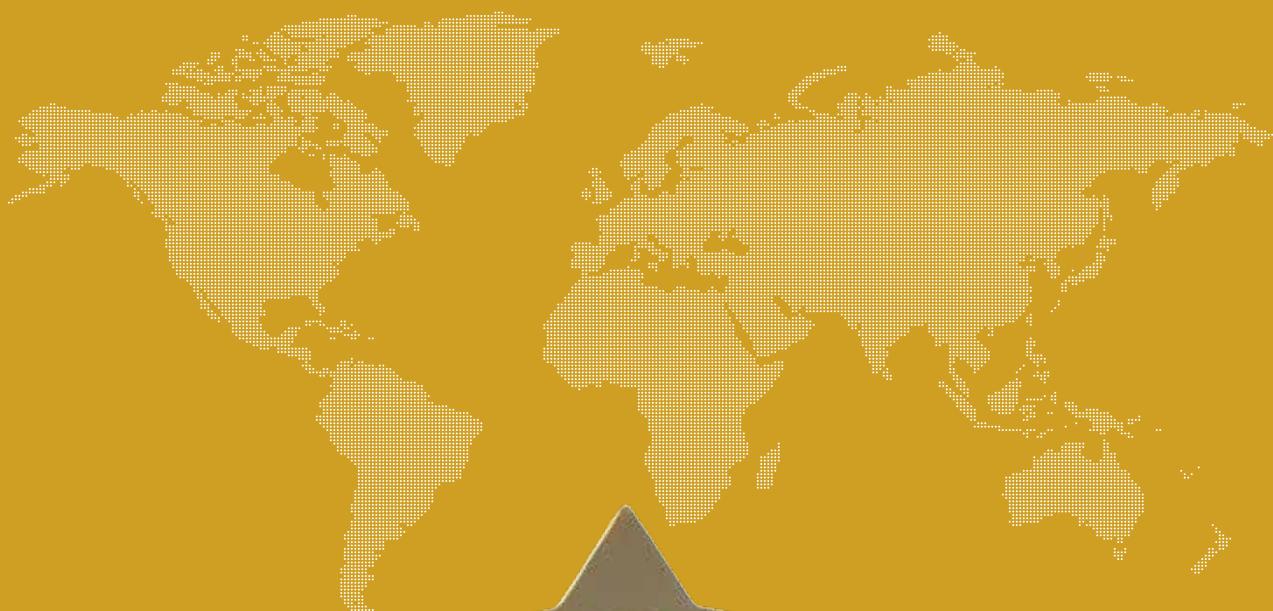
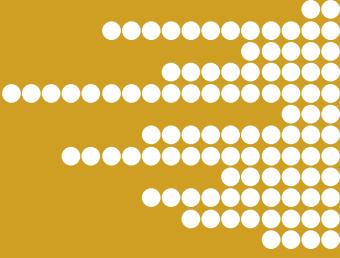
As the table shows, the Liquidity Ratios of the Group reached the ideal levels as a result of the effective and efficient management of our resources (particularly Receivables and Inventory) and the parallel reduction in the short-term debts of the Company (particularly the loans) and the Group acquired the capability of paying Current Liabilities in full with its Current Assets other than the Inventory. Positive developments in the Efficiency Ratios of the Group (increase in the turnover rates) indicate that the Assets and Working Capital of the Group are utilized more efficiently and effectively. As the table shows, Stocks Collection Period of the Group was reduced by 17

days due to the reduction in both Receivables Collection Days and Days' Sales in Inventory.

This reduced the Total Loan burden of the Group and the Group realized higher volume of Total Sales (5,5% higher when compared to the previous year) with its low Asset structure which also reflected to the Active Turnover as an increase.

Financial Ratios of our Group show that the financial position of the Group reached to relatively stronger and ideal levels as a result of both reduction in the Short Term Liabilities (from 59% to 57%) and increase in the Equity Capital (from 36% to 38%).

The Profitability Ratios of the Group, respectively Return on Assets, Return on Equity and Profit Margin followed a parallel trend to the previous year, however, highly positive developments in the other ratios are expected to reflect on the profitability ratios in the upcoming years.



A global star with export sales to over 60 countries in 5 continents and production plants in the U.S.A.



We are Number One  
Maintaining its successful exports performance, Sarkuysan is ranked number one in the category of "Copper Exports" in the "Stars of Exports Awards" granted by the Istanbul Mineral and Metal Exporters' Association.

## Subsidiaries and Affiliates



### Demisaş Döküm Emaye Mamulleri San. A.Ş.

Founded in 1974, Demisaş A.Ş. has a factory located in Bilecik. In the casting plants, cupola furnace and induction furnace are used for melting and the production takes place in 3 Disamatic automatic casting lines. A "Machining Workshop" also came into operation with the purpose of processing and selling pig and nodular cast iron parts produced in the plant. Components for hermetic piston compressors, components for spiral lobe compressors for the white goods sector, brake discs (nodular cast and grey cast iron), air-brake discs, brake drums, flywheels, exhaust manifolds, pulleys, brake cylinders, various brackets and parts, brake safety parts for the automotive sector, pump housings for the water system sector, compressor housings and brake safety parts for the heavy vehicle sector, rail junction parts for the railway sector, scaffolding connectors for the construction sector are produced. Annual production capacity is 80.000 tonnes. As at 31.12.2014, approximately 50% of the production output is exported particularly to the West European countries. Stocks of the affiliate are listed on Borsa İstanbul. The registered equity ceiling is TL 80.000.000 and its paid-up capital is TL 35.000.000. Our shareholding in Demisaş is 44,44%.



### Bektaş Bakır Emaye Kablo Sanayi ve Ticaret A.Ş.

The company, stopped its operations in 2003, has a capital of TL 5.500.000, in which our company and Sarda A.Ş. have shareholdings of 70,71% and 29,12% respectively.



### SARMAKİNA

### Sarmakina San. ve Tic. A.Ş.

Sarmakina, founded in 1991, successfully produces steel reel and special auxiliary machines for the wire and cable industry and markets these products to the leading wire and cable producers both at home and abroad. In addition, it is engaged in the production of paper insulated copper wire, copper and aluminium bus bars for the electromechanics industry as well as project development, manufacturing, sub-contracting, contracting and various steel construction works for other sectors. The capital of Sarmakina is TL 2.000.000,00 in which our company has a stake of 99%.



### BEMKA

Emaye Bobin Tel ve Kablo  
Sonuç Ticaret Anonim Şirketi

Bemka A.Ş., one of the leading enamelled winding wire producers in Turkey, was founded in 2002 and operates in the factories situated in Gebze and Tuzla Industrial zones. Its annual production capacity is 27.000 tonnes. Bemka A.Ş. meets approximately 40% of the enamelled winding wire demand of Turkey and exports a substantial volume of its production particularly to the West European countries. Bemka A.Ş. has a capital of TL 35.000.000 in which shareholdings of our Company, Bektaş A.Ş., Sarda A.Ş. and Sarmakina A.Ş. are 57,304%, 17%, 10% and 10% respectively.



### SARDA DAĞITIM VE TİCARET A.Ş.

### Sarda A.Ş.

Established in 1979 in Istanbul, Sarda A.Ş. carries out promotion and marketing operations for our products. In addition, it imports, exports and distributes the products that are within its field of activity. The capital of Sarda A.Ş. is TL 10.000.000,00 in which our stake is 99,97%.



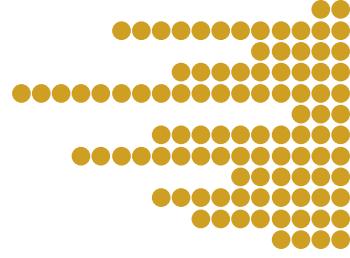
### Sark - USA, Incorporated

Sark-USA, incorporated in 2002, markets the products of our Company and Sark-Wire Corp. directly in the USA. Our Company owns 100% of Sark-USA that has a capital of USD 100.000.



### Sark Wire Corporation

Sark Wire Corp., established in 2008 in the city of Albany, capital of New York State in the USA, commenced manufacturing operations in 15.12.2009 upon completion of the installation of machinery and production lines equipped with the cutting-edge technology for the purpose of producing electrolytic copper wire with high added value and other electrolytic copper wire products. The capital of Sark-Wire has been increased from USD 8.000.000 to USD 10.000.000 and our Company, Sarmakina A.Ş., Bektaş A.Ş. and Sark-USA Inc. hold 60%, 15%, 12,5% and 12,5% of the shares respectively.



**Demisaş**



**Bemka**



**Sarmakina**



**Sark Wire**



**Subsidiaries and Affiliates**

(TL thousand)	2010	2011	2012	2013	2014
<b>Demisaş Döküm Emaye Mamulleri Sanayi A.Ş.</b>					
Paid up Capital	28.000	28.000	35.000	35.000	35.000
Our Shareholding	12.444	12.444	15.554	15.554	15.554
Shareholding Rate (%)	44,44	44,44	44,44	44,44	44,44
<b>Bemka Emaye Bobin Teli ve Kablo Sanayi Ticaret A.Ş.</b>					
Paid up Capital			35.000	35.000	35.000
Our Shareholding			20.056	20.056	20.056
Shareholding Rate (%)			57.304	57.304	57.304
<b>Bektaş Bakır Emaye Kablo Sanayi ve Tic. A.Ş.</b>					
Paid up Capital	5.500	5.500	5.500	5.500	5.500
Our Shareholding	3.889	3.889	3.889	3.889	3.889
Shareholding Rate (%)	70,71	70,71	70,71	70,71	70,71
<b>Sarda Dağıtım ve Tic. A.Ş.</b>					
Paid up Capital	6.000	6.000	10.000	10.000	10.000
Our Shareholding	5.998	5.998	9.997	9.997	9.997
Shareholding Rate (%)	99,97	99,97	9.997	9.997	9.997
<b>Sarmakina San. ve Tic. A.Ş.</b>					
Paid up Capital	2.000	2.000	2.000	2.000	2.000
Our Shareholding	1.980	1.980	1.980	1.980	1.980
Shareholding Rate (%)	99,00	99,00	99,00	99,00	99,00
<b>(USD thousand)</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>
<b>Sark - USA, Inc.</b>					
Paid up Capital	100	100	100	100	100
Our Shareholding	100	100	100	100	100
Shareholding Rate (%)	100	100	100	100	100
<b>Sark Wire Corp.</b>					
Capital	5.000	8.000	8.000	8.000	10.000
Paid up Capital	5.000	8.000	8.000	8.000	9.200
Our Shareholding	3.000	4.800	4.800	4.800	6.000
Shareholding Rate (%)	60	60	60	60	60

## 2014 Operations

### Investments

The company carried out investment projects in 2014 as well. The intensive competitive climate in our industry drives us to focus on investment projects for high value added products. Utmost care was given so that the machineries and plants commissioned during the year possess the latest technologies. By virtue of these investments, the product range was broadened thereby contributing positively towards meeting the customer requirements.

At the wire drawing unit, machinery and capacity expansion investments were made to enable high quality and efficient production as well as broaden product range including alternative metals, particularly for the automotive industry. At the continuous casting plant, high strength low-alloy copper conductor production was achieved.

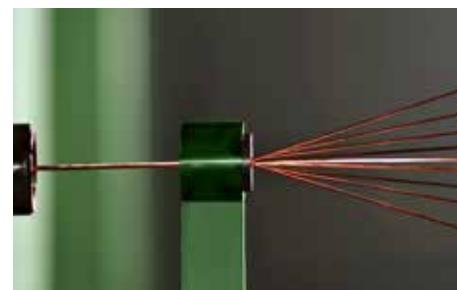
At our Upcast plant, the investment of energy efficient and high capacity melting furnace was realized to meet the increased requirement for oxygen-free copper wire rod, which is the inlet material for production of round, flat, profile wires and busbars. Upon the completion of works on project basis, the furnace was commissioned in March 2014.

One of the 2 units of 3,845 kW gas engines operated in our Cogeneration Plant since 1997 was decommissioned, and it is projected to erect 3 gas engines, namely 2 of 4,400 kW and 1 of 3,000 kW respectively, and 1 unit of 700 kW steam turbine. Installation will start in the 2<sup>nd</sup> half of 2015. The capacity covered by our associated autoproducer license was extended to convert it into a production license.

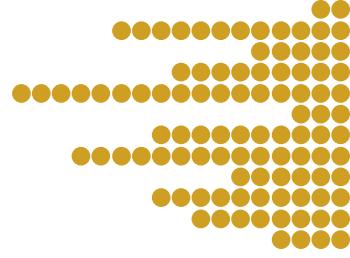
The 34.5 kV aerial power line was replaced by a 3.1-km underground line fed directly from the substation in March 2014.

### Our Production Plant in USA: Sark Wire Corporation

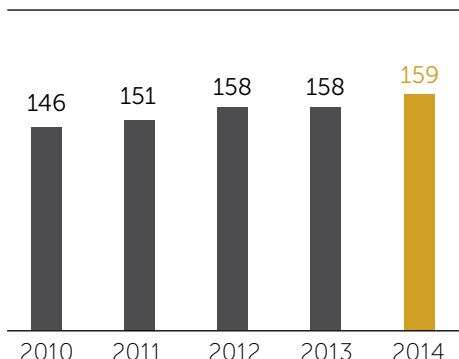
Incorporated in Albany, New York in the USA, 60% of Sark Wire Corporation is owned by our company. Thanks to the quality level achieved, competitive pricing, short delivery terms, wide product range, and a marketing strategy giving priority to customer satisfaction as the main company principle, Sark Wire corporation products are on demand in the North American market with an annual production capacity of 12,000 tonnes. All the operations of Sark Wire are carried out in compliance with the requirements of ISO 9001 Quality Management System.



Sarkuysan in Turkey  
Sark Wire in USA



Production (thousand tonnes)



## Information on Production

Sarkuysan was founded in 1972 in Istanbul for the production of electrolytic copper products. The premises of the company are located on an area of 180.000 sq. metres in Osmangazi, Gebze, which is 40 km from Istanbul.

The annual production capacity of the company reached 220.000 tonnes. Environment friendly production is realized at its plants which are equipped with modern environmental protection technologies.

With its subsidiaries and affiliates, approximately 5.000 shareholders, and social projects granted, Sarkuysan, the first truly publicly owned company of Turkey, has been adding value to the country's socio-economic life since 1972 under its professional management. The company performed net sales of 158.759 tonnes in 2014.

### Production Plants

#### Refinery

**Anode Casting:** Blister copper is melted in refining furnaces and then automatically cast in moulds at the casting wheel to obtain copper anodes.

**Tankhouse:** Anodes placed in electrolysis baths are subjected to electrolytic refining by means of the conventional direct current electrolysis method. After the electrolysis process, copper cathodes of electrolytic purity are obtained.

#### Continuous Casting Plants

Sarkuysan is the unique organization in the world capable of manufacturing copper rod by means of three competitive continuous casting technologies that are operated under the same roof.

#### Upcast (Outokumpu)

High purity electrolytic copper cathodes are melted in the protective atmosphere at induction furnaces, transferred to casting furnaces via launders and cast into wire rods with diameters of 8 to 25 mm range by means of the UPCAST ®continuous casting technology.

#### Southwire

Electrolytic copper cathodes are melted in the atmosphere controlled shaft furnace and consecutively transferred into holding furnace and caster via launders. The continuously cast bar through the caster is then hot rolled into ETP copper wire rods with diameters of 8, 11 and 16 mm, followed by pickling process for surface deoxidation and brightening.

## 2014 Operations

### Contirod

Electrolytic copper cathodes are melted in the atmosphere controlled shaft furnace and cast into bar form in Hazelett twin belt caster. The cast bar is hot rolled into 8 mm wire rod and then pickling is applied to achieve the bright, oxide free surface.



### Billet Casting

Electrolytic copper cathodes are melted in the channel type induction furnace and transferred to the holding/casting furnace. The casting takes place automatically and cut into requested lengths at the vertical strand caster. The round billets of 230 and 305 mm diameters are produced as DHP-Cu and ETP-Cu and dispatched to tube, busbar and profile plants for extrusion processes.



### Production

#### Conductor Production

Providing raw materials for harness cables as a major input for the automotive industry today, our Company manufactures precise standard-compliant conductors for use in technical equipment for fast communication and data transmission particularly in modern communication systems, computers and Internet. In addition, general and special-purpose conductors used in the electronics industry are also included in our product range. Moreover, our Company also undertakes the manufacture of special conductors consumed in every segment of aviation and defence industries. Wires manufactured by Sarkuysan of oxygen-free high-conductivity copper, particularly nickel-plated wires with superior heat and thermal shock resistance are used in space research centres.



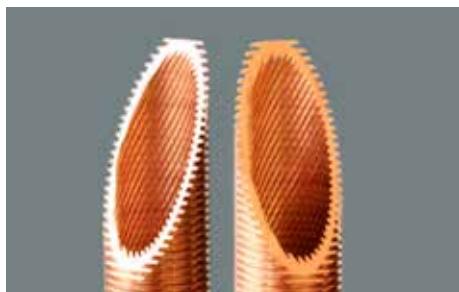
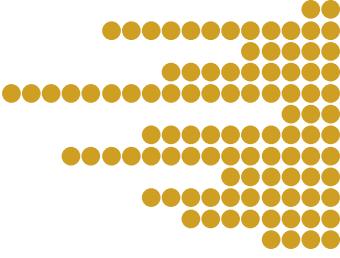
#### Monowire Production

Ø8 mm wire rods produced at the continuous casting plants are cold drawn down to Ø0,05-4,50 mm at different drawing machines with annealing units as per the standards and/or customer requirements.

#### Bundled Conductor Production

- **Multi-Wire Bundled Conductors:** Multi-wires consisting of up to 24 wires are drawn down to Ø0,05-1,04 mm on state-of-the-art wire drawing machines.
- **Bunched Conductors:** Ø0,05-300 mm<sup>2</sup> conductors are manufactured in conformance with international standards on bunching machines.
- **Special Stranded Conductors:** Ø0,05-300 mm<sup>2</sup> conductors are stranded with customized geometry

Sarkuysan is the unique corporation in all over the world possessing three different continuous copper casting technologies under the same roof.



#### Tin and Nickel Plated Wire Production

Copper wires within the diameter range of 0,8-3,00 mm are firstly electroplated with tin or nickel, and then are drawn down to required diameters at wire drawing machines.

#### Flat Wire and Profile Production

Pre-drawn and shaved rods are fed into specially designed cold drawing/rolling machines. The product is then annealed in compliance with required standards depending on the customer demand. Flat wires and profiles are also produced in annealed form thanks to the state-of-the-art continuous extrusion method.

#### Flat Wires

Width: 3-30 mm, Thickness: 1-12 mm, Cross-section: max. 150 mm<sup>2</sup>

#### PV Ribbon Wire Production

By virtue of micro flat wire production facility, which came on stream in the last quarter of 2013, the company gained the advantage of offering PV ribbon wires for sale on the domestic market. Until then, this product would fully be imported.

PV ribbon wires are produced in bare, tin-, nickel or solder plated forms by means of particular rolling and plating units, and then transferred to spools via the rewinding unit according to customer specifications.

Thickness: 0.08-0.50 mm, Width: 1.00-6.00 mm, Plating: Bare, Tin-Plated, Nickel-Plated or Solder-plated in desired specifications, Physical characteristics: Annealed or hard

#### Contact Wires and Catenary Conductors

Sarkusyan uses electrolytic copper with 99.99% purity in manufacturing contact wires. The company manufactures contact wires in different dimensions from electrolytic copper and silver-alloyed copper wire rods by means of drawing, rolling or drawing-rolling methods. The company is capable of manufacturing copper and silver or tin alloyed copper contact wires in desired forms and sizes. Products are manufactured according to international standards such as ASTM B47, UIC 870-0 and TS EN 50149 or customer specifications in 107-mm<sup>2</sup> or 120- mm<sup>2</sup> cross sections. Silver-alloyed copper contact wires offer high conductivity and high softening temperatures, which are valuable advantages for high speed and high frequency rail systems. Tin-alloyed contact wires have high breaking stress and wear strength, and thus are highly preferred in very fast-speed rail systems. CuMg alloy conductors which have high rupture strength can ideally be used in manufacturing catenary wires requiring flexibility and high strength.



## 2014 Operations

### Profile Bars

Maximum diameter in round bars is 80 mm. In flat profiles, maximum width is 200 mm.

### Tube, Busbar and Profile Manufacturing Plant

Preheated up to the appropriate process temperatures, DHP-Cu and ETP-Cu billets are transformed into mother tubes and busbars by extrusion presses. Final products are produced in different finishing lines in compliance with required dimensions. As well as busbars and profiles, inner grooved or non-grooved tubes drawn in straight lengths, pancake or LWC forms are calibrated according to customers' demands, and are annealed in the annealing furnace operating under protective gas. Depending on the customers' order, busbars are offered for sale in bare or tin-plated forms. Copper tubes manufactured in our plant conform to the EN 1057 standard as certified by the KITEMARK certificate issued by the BSI certification body. With this certification, a significant edge was gained for the sale of copper tubes in the UK and European countries. In addition, copper busbars with high conductivity and surface quality properties are manufactured from OF wire rods at the state-of-the-art continuous extrusion plant. Moreover, tin-plated busbars can be produced at electro tin-plating line, jointly developed by Sarkuyusan and Sarmakina who is the patent holder.



### Product Range

- Copper Cathodes
- Electrolytic Copper
  - Rods
  - Wire-Rods
  - Wires in Various Diameters
  - Flat Wires (bare or insulated)
- Overhead Catenary Wires (contact wires, dropper wires, porter wires, supply wires, Y rope insulated/non-insulated earth wires)
- Tin-Plated Wires
- Nickel-Plated Wires
- Bunched and Stranded Wires
- Rope Stranded Wires
- Profiles
- Copper Tubes (LWC, pancake, plain, grooved)
- Copper Sheets (exposed and tin-plated)
- Copper Nuggets
- Micro Flat Wires

### Expos and Domestic Trade Fairs

#### Participated in 2014

March 6-8, 2014

Eurasia Rail 2014 / CNR EXPO - ISTANBUL

May 7-10, 2014

SODEX 2014 / CNR EXPO - ISTANBUL

September 25-28, 2014

Santek 2014 / KOCAELİ

#### International Expos

February 11-13, 2014

Middle East Electricity 2014 / Dubai - UAE

April 7-11, 2014

Wire 2014 / Dusseldorf - Germany

June 11-13, 2014

Expo Electrica 2014 2014 / Mexico City -

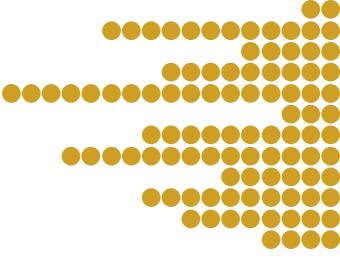
Mexico

June 24-26, 2014

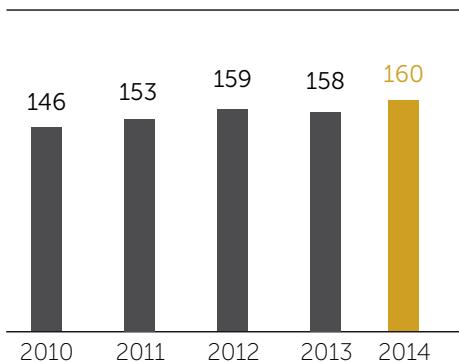
CWIEME Berlin 2014 / Berlin - Germany

September 23-26, 2014

Innotrans 2014 / Berlin - Germany



**Sales (thousand tonnes)**



### Sales

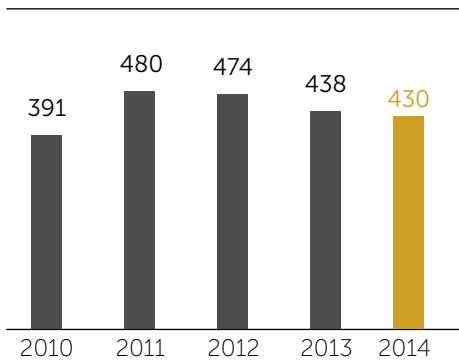
In the last quarter of 2013 and the whole 2014 period, some wire manufacturers faced major risks due to their incapability of following an efficient Risk Management policy, culminating in substantial losses and shrinkages in the industry. Despite the high volatility and sharp fluctuations in the copper market during this period, our Company maintained a successful risk management under the coordination of the Risk Committee and could manage the process without suffering a severe damage.

Under these circumstances, the Company pursued an efficient policy in the market and hit a sales output of 159.727 tonnes driven by quality-oriented operations, pushing our CIF export sales to USD 429.795.364 and net domestic sales turnover to TL 1.394.437.110.

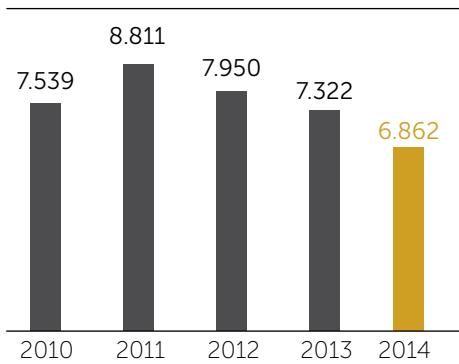
In the procurement of copper cathode as the primary raw material for the Company's manufacturing operations, some challenges occurred during the first half of 2014 due to supply disruptions in the global market. Despite the raw material supply disruptions and contraction in the domestic market, the Company headed new marketplaces through radical corporate resolutions in the second half of 2014, improving the sales performance compared to the preceding year thanks to efficient sales and marketing campaigns.

During the same period, total export sales volume reached 55.901 tonnes. This period saw a relative decline in our wire rod sales against significant improvement in copper wires and other products with high added value thanks to the successful implementation of the resolutions taken by the Company management. In 2014, non wire rod sales enjoyed an increase of 7% compared to the preceding year.

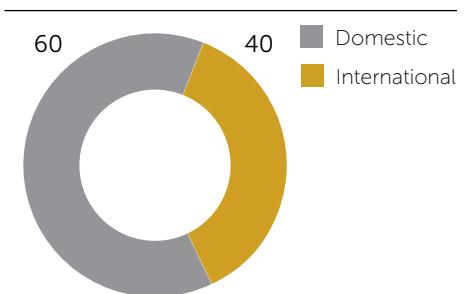
**Exports (USD million)**



**LME Copper Prices USD/tonnes  
(Year-end Average)**



### Breakdown of Sales Turnover (%)



## 2014 Operations

## 2015 Prospects

Concerns and pessimistic anticipations due to by growth issues in the global market are expected to result in a slight decline in copper demand during 2015, primarily in EU countries that represent our key market. The incapability of EU countries to recover from stagnation and to demonstrate a remarkable growth despite all the measures is interpreted as a negative situation for export sales to this territory. In addition, ongoing depreciation of Euro against primarily USD and other currencies is anticipated to lead to decline in export revenues associated with this region.

Besides, our strategy of "growth by entering new markets" that yielded a marked performance in 2014 is proposed to keep enhancing in 2015 as well. In this respect, it is anticipated to compensate the market loss suffered in EU region primarily through growth in other markets, primarily US, Africa and Middle East, and improve our total export sales figures.

The domestic market is expected to grow by 3.8% in 2015. Particularly, an increase in copper wire and cable demand primarily in construction and communication markets is expected in the 2<sup>nd</sup> half of the year. On domestic side, efficient sales and marketing efforts will remain in place towards expanding our customer portfolio and market share in consistent with our overall growth strategy.

## Research and Development Operations

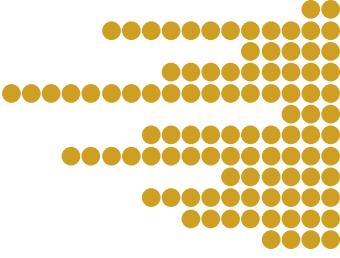
Sarkuysan is aware of the fact that the path to follow to compete with the serious competitors in the international markets goes through Research and Development operations. Our R&D policy is to launch efforts to obtain new know-how that would flourish science and technology or to manufacture new products through existing knowledge base, to optimize current processes and to systematically develop new projects based on know-how.

At the Research and Development Department;

- Research and development studies are carried out to maintain the top quality of products at all times and broaden our product range by introducing new products;
- Studies on developing special wires with lower cost and higher performance in place of various applications in different industrial fields continued. To this end, wires manufactured from low-alloy copper in our casting plant have been offered to the wire market; followed by alloy contact wires for catenary applications.



Innovation-driven  
R&D



At the forefront  
in global quality  
competition

- The manufacturing capacity of the continuous tin-plated busbar manufacturing process launched in 2009 entrusted to Sarmakina patented busbar plating machine co-developed with Sarkuysan was increased by 40% through developments by virtue of the operational experiences gained.

### Quality Policy

Quality is a tradition at Sarkuysan A.Ş. It has always been the main policy of our company to produce "High Quality Goods" which meet the needs and expectations of our customers. Our key objective is to maintain and improve our position among the leading producers in the world quality race by virtue of high technology, accumulation of information, experience, and qualified workforce.

We also stick to the principle of "Environmental Friendly Production" for a clean nature. Our quality management is based on continuous improvement of quality management system and its effectiveness by investment, coordination and support programs together with complete fulfillment of quality management system requirements in order to meet the expectations of our customers in a world moving towards a single market. Since high quality production is the fruit of the mutual efforts of our workforce, the training and incentive programs have the key role to achieve this task. Our "Handbook of Quality" which is the basic document of TS EN ISO 9001 and ISO/TS 16949 Quality Management System, explains the complete principles and procedures of the system. Our management and employees must follow these principles and procedures. These principles ensure that products of Sarkuysan A.Ş. are produced in compliance with customer requirements, national and international standards as well as legal regulations. Effective implementation of the Quality Management System will bring about low cost and high quality production, thus increase our competitiveness both in domestic and international markets. Within the framework of this basic quality policy it is the common and essential duty of our employees to maintain and further improve the success obtained in the product quality. For all the activities included in the Quality Policy, our principle of respecting the environment and giving priority to the health and safety of our employees is supported by our operations in compliance with ISO 14001 Environmental Management System Certificate and OHSAS 18001 Workplace Health and Safety Management System Certificate.

## 2014 Operations

### Energy Policy

We, SARKUYSAN A.Ş., adopt as a principle to constantly improve the efficient use of energy and render it sustainable in environmental and economic terms in all operations being aware of the responsibility of our Energy Management System.

In this respect, we are committed to;

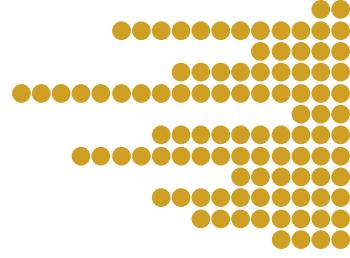
- complying with appropriate national and international energy regulations, standards and other requirements in force,
- utilizing energy and natural resources efficiently in all manufacturing operations and processes, and constantly improving our energy performance through surveys and improvement projects for energy efficiency.
- keeping up with technological trends to put in place alternative energy resources that would minimize negative impacts,
- efficiently using energy and natural resources through sustainable development approach, and launching efficient and transparent efforts for reducing greenhouse gas emissions,
- implementing efforts dedicated to improving the energy awareness of employees, suppliers, customers and stakeholders,
- minimizing energy losses, and utilizing gas emissions and waste heat optimally,
- improving our production plants and preferring energy-efficient technologies and applications for equipment and services in new investments,
- integrating the documented Energy Management System into corporate management applications, and periodically reviewing and improving the objectives.

### Environment, Occupational Health and Safety Policy

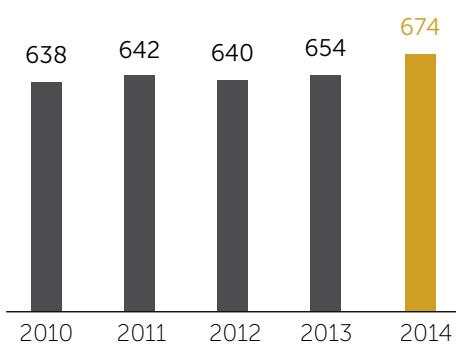
To use clean technologies which do not pollute the environment and minimize waste with recycling facilities in the production site in accordance with the requirements of our customers; within the framework of our Environmental Management System based on continuous improvement; to ensure the efficient use of energy and natural resources for sustainable development and to prevent pollution; to take all necessary measures in order to prevent workplace accidents and to preserve our employees from occupational diseases; to comply with the requirements of environmental, workplace health and safety legislation and approved code of practice in the course of activities; to set attainable targets and objectives and continuously seek to improve them in line with the continuous improvement principle; to ensure the effective implementation of Environmental Protection, Workplace Health and Safety Systems and to educate and train the employees to raise awareness.



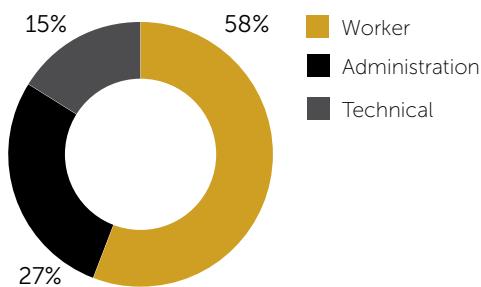
Customer-focused  
quality production  
respecting workplace  
health and safety  
principles and the  
environment



#### Number of Employees



#### Distribution of Staff Members



#### Human Resources

In this period, Human Resources policy was implemented in parallel with our main targets. In 2014, our employment volume reached 674 as a result of 3% increase. 182 staff members were employed for administrative positions, and 101 staff members for technical positions and 391 staff members for worker positions.

Our staff members have been encouraged to attend the relevant internal and external training programs with the purpose of accelerating their occupational and social development. In addition, various events have been organized for the purpose of increasing the positive communication and motivation among the staff members.

#### Financial Rights Granted to Board Members and Senior Executives

The remuneration of Board Members is determined in the Ordinary General Assembly held annually.

The remuneration paid to senior executives of the Company is determined in parallel with the pay rise periods specified in the collective labour agreements, based on the general economic and sectoral circumstances, actual figures in the financial statements of the Company, wages applied in the market and particularly in the peer corporations, annual performance assessment results of employees, pay rise percentages arising from collective labour agreements of our union member workers. The remuneration thus determined is implemented upon evaluation and approval of the Board of Directors.

	TL
Attendance fee, wage, bonus, premium and profit share	4.900.878,21
Allowances, travelling and accommodation expenses, insurance and representation expenses	136.590,58
Total	5.037.468,79

## 2014 Operations

### Social Responsibility

As a company with awareness of social responsibilities, we realized the following projects over the year:

- We continued our contributions in the education field by granting non-refundable scholarships to 64 undergraduates, including children of our employees, and graduates of Sarkuysan High School studying at higher education institutions. In addition, 59 students were granted scholarships from the fund created with the voluntary contributions of our employees. Vocational high school students and undergraduates are also given the chance of training at the company to the extent of the quota allocated for this purpose.
- Our close relationships with Sarkuysan High School and Sarkuysan Elementary School are maintained, thus the traditional composition contest was organized at our High School during Ataturk Week.
- We allocate our New Year promotion budget to a medical institution for the procurement of its medical device needs and this year we established two Medical Laboratories in Darica Teacher Füsün Erdemir Vocational and Technical Anatolian Medical High School.
- Our Turkish Music Chorus formed by our staff members gave a concert to public in Gebze Osman Hamdi Bey Hall on December 20, 2014 on the occasion of the 39<sup>th</sup> anniversary of commencing of our production operations.
- Our Table Tennis Team competes in the Super League.
- In addition, there are dance and Pilates classes for our staff members willing to attend.

### Donations and Grants

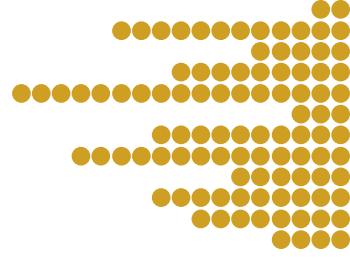
In this period, donations and grants in an amount of TL 237.360,31 in total were provided to various organizations. Within the scope of the donations we make annually in the healthcare field, two medical laboratories were established in Darica Teacher Füsün Erdemir Vocational and Technical Anatolian Medical High School.

A payment in an amount of TL 90.888,97 was made for this purpose. Oxygen gas installations for Fatih Public Hospital that had been planned to be completed in the previous period extended to the year 2014 and therefore the payment of TL 35.400 was included in the donations made in the year 2014.

An amount of TL 67.500 was donated to Sarkuysan Sports Club for compensation of the material and equipment expenses of our table tennis team competing in the Super League. As seen above, total amount of the donations and grants are below the expenditures limit of TL 300.000 authorized in the General Assembly for the same period.



An active company in  
social responsibility  
projects



Support for education  
and sports

#### Donations and Grants Made in the Year 2014 (TL)

Darica Teacher Füsün Erdemir Vocational and Technical Anatolian Medical High School	90,888.97
Sarkuysan Sports Club	67,500.00
Fatih Public Hospital	35,400.00
Sarkuysan Elementary School / Gebze	7,866.72
Mining Development Association of Turkey	7,500.00
Cultural Association of Kilis	5,000.00
T. American Businessmen Association	5,000.00
UNICEF	3,600.00
Ataturkist Ideology Association	3,150.00
Bizimkoy Association for the Handicapped	2,809.62
Turkish Education Foundation	2,185.00
Historical Culture Association	2,160.00
Other	4,300.00
<b>TOTAL</b>	<b>237,360.31</b>

Dear shareholders,

Our Company made donations and grants to various organizations and contributed to their development and improvement. We request you to set the limit of donations and grants as TL 300.000 for the year 2015 in accordance with the corporate governance principles.

Kind Regards,  
Board of Directors



#### Targets Achieved

Our Company reached new markets and customers with export sales in the year 2014.

New projects have been realized as a part of our R&D operations and modernizations efforts have continued in our plants.

Training programs have been organized within the scope of the quality policy in order to improve the productivity and professional skills of our employees.

ISO 50001 Energy Management System Certificate based on energy efficiency has been obtained.

## Internal Auditing

The internal audit system of the company consists of job descriptions, authorization system, policies and documented procedures that were previously determined based on the work flows and processes.

Our Company aims to achieve its targets on efficiency and effectiveness of operations, the reliability of its financial reporting system and assurance on the compliance to the legal regulations through implementation of an internal audit system.

Internal audit system is regularly subjected to periodic evaluation by the Quality Assurance Department and effectiveness of the production operations is inspected.

The Audit Committee has notified the Board of Directors in writing about its opinions on the election of the independent auditors for the year 2014, interim and annual financial statements to be disclosed to the public, accuracy and consistency of them with the accounting principles and actual figures and the decisions taken during the meetings held throughout the year.

## Corporate Risk Management and Board of Directors' Assessment

All of the strategic, operational, financial particularities and other aspects that thought to be creating risks preventing our company from achieving its short and long term targets are evaluated at every level of the organization starting from the Board of Directors' level.

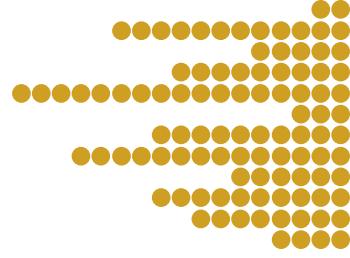
Risk Management Committee that is established for this purpose carries out activities in parallel with the objective of making recommendations and giving advice towards detecting, evaluating and managing, reporting all kinds of risks including strategic, financial, operational risks etc., that may have an impact on the Company and taking them into consideration in the decision taking mechanisms.

**Operational risks:** These risks are evaluated from a broad perspective such that the evaluation encompasses the procurement of raw materials, production, sales and after sales services.

**Receivables risk:** The receivable risks of our company are reported by the Limit Determination Committees consisting of senior executives of the Company in accordance with the Customer Limits Determination Procedure and they are approved upon checking and analysing in accordance with the relevant procedure.

There are insurance policies covering the receivables of our Company from the domestic market and foreign countries so that the losses that may arise from risks can be compensated.

In addition to the global policies, various security methods (mortgage, letter of guarantee, DBS, etc.) are used with the purpose of minimizing the receivables risk.



**Financial risks:** These risks are addressed in four categories that are Liquidity Risks, Interest Rate Risks, Foreign Exchange and Price Risks and the principles provided below are followed for the management thereof:

**Liquidity Risks:** Attention is paid for matching the due dates of our Company's receivables and debts, and efforts are made to maintain the liquidity ratios of the Company (current ratio and acid-test ratio) through effective cash flow management and control and net operating capital management with the purpose of maintaining the short-term liquidity level.

**Interest Rate Risk:** Changes in the interest rates lead to a substantial risk with respect to the financial consequences as a result of the impact created on interest sensitive assets and liabilities. This risk is managed by balancing the amount and maturity dates of the interest sensitive items.

Accordingly, efforts are made not only to match the maturities of the receivables and payables but also to balance the fixed/ fluctuating interest rates and short/long-term maturities.

**Foreign Exchange Risk:** As our company carries out operations in a vast geography, the operations are compensated with different currencies. Therefore, the exchange rate risk is one of the most important financial risks encountered. The main principle in managing this risk is to balance foreign currency assets and liabilities in foreign currencies such that the currency fluctuations create the minimum impact, in other words, a level close to zero is maintained in connection with the foreign currency position. Most of the time, methods that can be implemented on the balance sheet are used for the management of the foreign exchange. In addition, derivative financial instruments are used for protection against the parity change risks.

**Raw Material Price Risk:** Copper prices that form a substantial part of our costs are set by the global markets and follow a volatile trend. We implement models based on matching the prices and payment dates of the goods procured and sold in order to protect the Company against such price change risks. Apart from these models, all long-term price fixing demands of customers are managed through hedging operations.

In addition to the hedging operations against changes in copper prices, we implement hedging operations for other metals such as Tin, Nickel and Aluminium, too, as they form a part of our costs and are open to price changes.

#### Miscellaneous

No important developments of special importance occurred in the company that may have a potential to affect rights of the partners, debtors and other relevant persons and organizations upon expiry of the activity period.

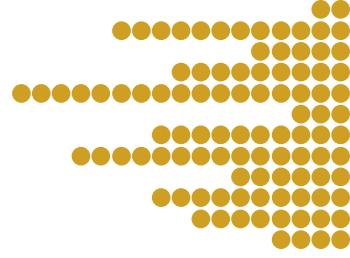
## Independence Statements of the Board Members

I hereby declare that I am a candidate for assuming the role of an "Independent Member" in the Board of Directors of Sarkuyan Elektrolitik Bakir San. ve Tic. A.Ş (Company); within the scope of the criteria stipulated in the legislations, the articles of incorporation of the Company and the Corporate Governance principles issued by the Capital Markets Board,

- Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and (i) the Company and (ii) the subsidiaries of Company, and (iii) shareholders who control the management of Company or who have significant influence in Company and legal persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,
- Within the last five years, I have not worked as an executive manager who would have important duties and responsibilities, or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed
- I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board,
- In accordance with the legislations, I will not be working full-time in public institutions and organizations (except working as an academician at the university) after being elected as a member,
- I am treated as a resident in Turkey in accordance with the Income Tax Law no 193 of 31/12/1960,
- I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of Company and remain neutral in conflicts of interests between Company shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,
- I will be able to spare the sufficient time for the activities of the Company to an extent that will help me pursue the activities of the Company and fulfil the requirements of my tasks and duties,
- I have not been a member of the Board of Directors of the Company for more than 6 years in total within the last decade,
- I have not been an independent member of the Board of Directors in more than three of the companies controlled by the Company or by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,
- I have not been registered and announced on behalf of the legal entity elected as member of the Board of Directors, and therefore I will fulfil my Board membership as an independent member.



Best Regards,  
Ziya AKKURT



I hereby declare that I am a candidate for assuming the role of an "Independent Member" in the Board of Directors of Sarkuyan Elektrolitik Bakır San. ve Tic. A.Ş (Company); within the scope of the criteria stipulated in the legislations, the articles of incorporation of the Company and the Corporate Governance principles issued by the Capital Markets Board,

- Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and (i) the Company and (ii) the subsidiaries of Company, and (iii) shareholders who control the management of Company or who have significant influence in Company and legal persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,
- Within the last five years, I have not worked as an executive manager, who would have important duties and responsibilities, or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed
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- In accordance with the legislations, I will not be working full-time in public institutions and organizations (except working as an academician at the university) after being elected as a member,
- I am treated as a resident in Turkey in accordance with the Income Tax Law no 193 of 31/12/1960,
- I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of Company and remain neutral in conflicts of interests between Company shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,
- I will be able to spare the sufficient time for the activities of the Company to an extent that will help me pursue the activities of the Company and fulfil the requirements of my tasks and duties,
- I have not been a member of the Board of Directors of the Company for more than 6 years in total within the last decade,
- I have not been an independent member of the Board of Directors in more than three of the companies controlled by the Company or by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,
- I am not registered and announced in the name of a legal entity elected as board member, and therefore, I hereby declare that I shall fulfil my duties in the board of directors of the company as an independent member.



Best Regards,  
Nuray AKMERİÇ

# Disclosure Policy

## Objective

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. pursues a transparent and effective public disclosure policy that would enable its shareholders to be informed precisely, clearly, accurately and simultaneously within the framework of relevant laws and CMB Corporate Governance Principles. Any information, which is not regarded as a trade secret and can be legally disclosed, is publicly communicated.

The objective of disclosure policy is to share the performance, expectations, strategies, targets except for confidential business information, and visions of the company with the public, relevant authorities, existing and potential investors and shareholders through an active and open communication medium.

Sarkuysan complies with the Regulations of Capital Markets Board and the regulations of Istanbul Stock Exchange (IMKB) regarding all public disclosure, and aims to follow the most efficient communication policy within the scope of CMB Corporate Governance Principles.

## Authorities and Responsibilities

The authority and responsibility to follow, monitor and develop Sarkuysan's policy of clarifying and informing the public rests with the Board, while the Vice General Manager (Finance), Accounting Department and Investor Relationships Department conduct the coordination of the disclosure function.

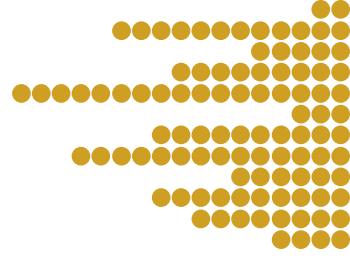
Such authorities carry out their responsibilities in close cooperation with the Board and the General Manager.

Disclosure Policy approved by the Board is submitted to the consideration of shareholders at the General Assembly and disclosed publicly through the corporate website.

## Methods and Means of Public Disclosure

Below are the methods and means used to inform the public by Sarkuysan in accordance with the regulations of CMB and BIST and further with the appropriate provisions of the Turkish Commercial Code (TCC):

- 1- Material event disclosures (submitted online to the Public Disclosure Platform (PDP),
- 2- Financial statements, notes, independent audit reports and statements periodically disclosed on quarterly basis (submitted online to PDP),
- 3- Annual and interim activity reports,
- 4- Corporate web site ([www.sarkuysan.com](http://www.sarkuysan.com)),
- 5- Prospectus, circular, invitation for general assembly and other documents disclosed through Central Registration System (CRS) and the Central Database Service Provider (CDSP) systems,
- 6- Announcements and notices made in Turkish Trade Registry Gazette, and also in national and local newspapers that are widely circulated,
- 7- Press statements made in the press and mass media throughout the year parallel to the important developments,
- 8- Communication methods and means such as telephone, e-mail, fax, etc.
- 9- Press statements through the press and visual media,
- 10- Domestic and international exhibitions attended.



### **Public Disclosure of Material Events**

Sarkuysan A.Ş's material event disclosures are prepared by the Financial Affairs Department and Investor Relations Department, and submitted online to PDP by duly authorized directors. The relevant units carry out controls in connection with the publication of such disclosures on PDP.

Officials with administrative function to this end are Board Members, Auditors, General Manager, Vice General Managers, Finance Department, Cost Accounting and other officials with regular access to Sarkuysan's internal data and authorized to take administrative decisions having effect on future development and commercial objectives of Sarkuysan.

Such officials are announced in the Annual Report updated annually and on the corporate web site.

Where there are legal and commercial relationships between our Company and real & legal entities with whom we directly or indirectly collaborate for capital management and audit purposes, necessary disclosures are made pursuant to appropriate provisions of CMB.

### **Public Disclosure of Financial Statements**

Sarkuysan's financial statements and notes thereto are prepared in a consolidated form in accordance with the provisions set forth by the Capital Markets Board and International Financial Reporting Standards (IFRS). Annual and semi-annual financial statements are subjected to independent audit in accordance with International Audit Standards before public disclosure. Quarterly and nine-month Financial Statements are prepared again in accordance with IFRS and publicly disclosed within a defined timeframe.

In accordance with the Capital Markets Legislation, prior to public disclosure of the financial statements and notes thereto, they are submitted to the Board of Directors for approval upon the positive opinion of the Audit Committee. After attestation is granted at the meeting, financial statements, notes thereto and the independent audit reports are communicated to BIST and CMB in accordance with the Capital Market Law and BIST.

Financial statements and notes thereto disclosed on PDP are publicly announced simultaneously with PDP on our corporate web site under a link titled BIST due to our agreement with Forex. In addition, data covered by financial statements are retrospectively stored for a period of five years under the heading "Annual Reports" in the Investor Relations section of the corporate web site.

### **Public Disclosure of the Annual Report**

The content of yearly and interim Annual Reports is prepared in accordance with the Turkish Commercial Code, Capital Market legislation and CMB's Corporate Governance Principles. Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) are applied to the annual report and financial statements.

Once Annual Reports are prepared, they are subjected to the Board's approval, and then reports are publicly disclosed through the corporate web site three weeks prior to the General Assembly, and also communicated to PDP online. Investors may obtain Turkish and English hard-copy version of the Annual Report from the Finance Department and Investor Relations Department.

## Disclosure Policy

### Internet Site

As suggested by CMB's Corporate Governance Principles for public disclosures, Sarkuysan's internet site at [www.sarkuysan.com](http://www.sarkuysan.com) is actively employed. Explanations on the internet site may not stand for announcements and material event disclosures required by the Capital Market Law. Internet site is developed in Turkish and English in the content and format prescribed by CMB's Corporate Governance Principles.

In accordance with Article 1527 of the Turkish Commercial Code, a specific part of the corporate web site is dedicated to legal announcements. This section is available through "Information Society Services" in our corporate web site.

Investor Relations part of our corporate web site contains the Company's trade registration details, most recent shareholding and management structure, details of preferred shares, announcements, date and issue no of the Turkish Trade Registry Gazette announcing the amendments to the Company's articles of association, Company's up-to-date articles of association, material event disclosures, annual reports, announcements for General Assembly meetings, sample agenda and power of attorney, list of attendance, meeting minutes, dividend distribution policy, disclosure policy, ethical rules of the Company, frequently asked questions and answers thereto.

In the part "Sarkuysan on Istanbul Stock Exchange" of our internet site, all details about the Company posted in Istanbul Stock Exchange's corporate web site are available. The corporate web site further contains stock prices, charts, prices of some precious items as well as news about Sarkuysan and all other related news and exchange rates.

### Announcements Made in the T. Trade Registry Gazette

As required by the Capital Market Law, Turkish Commercial Code and the Company's Articles of Association; the announcements related to the General Assembly, capital increase and dividend payment are published both in the Turkish Trade Registry Gazette and daily newspapers.

### Statements on the Exercise of Shareholder Rights

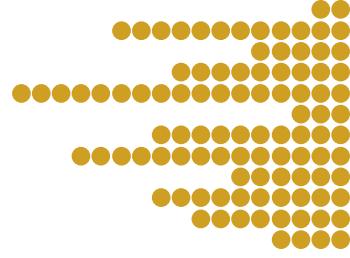
Pursuant to CMB regulations, shareholders are informed about the General Assembly, Capital Increase, Dividend Payments, merger and appropriate matters through prospectuses and announcements.

Company's Ordinary General Assembly meetings are held every year within legal periods specified. Information and documents available at the General Assembly are the Agenda, List of Attendance, and Annual Report, Auditor's Report, Balance Sheet, Statement of Income, General Assembly minutes and Amendments to the Articles of Association, if any.

### Measures to Keep Insider Information Confidential until Public Announcement

Sarkuysan A.Ş. employees who are in a position to have insider information and other relevant parties are informed about their liability to ensure confidentiality of insider information between the time when the information subject to a material event disclosure develops until it is announced on PDP.

If it is determined that insider information has unintentionally been shared by these people with third parties, in case it is concluded that the confidentiality of the information cannot be protected within the scope of CMB legislations, a material event disclosure is made.



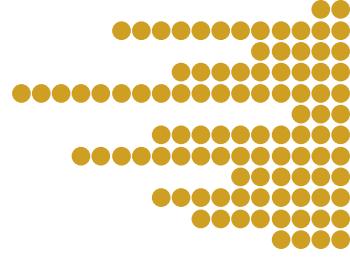
## Guarantees, Pledges, Mortgages Furnished by the Company

	31.12.2014 Amount (TL)	31.12.2013 Amount (TL)
<b>A. Total value of GPM furnished on behalf of the Company</b>	<b>272.902.096</b>	<b>335.461.521</b>
Sarkuyan A.Ş. Letter of Guarantees	45.258.954	102.020.127
Sarkuyan A.Ş. Surety Bonds	209.719.808	219.071.277
Sarmakina A.Ş. Letter of Guarantees	72.689	389.604
Bemka A.Ş. Letter of Guarantees	2.341.266	2.651.697
Bemka A.Ş. Mortgages	-	-
Bemka Surety Bonds	225.000	-
Bemka A.Ş. Operating Pledge	-	-
Bektaş A.Ş. Letter of Guarantees	2.117	2.894
Sarda A.Ş. Letter of Guarantees	15.278.000	11.322.000
Aegean Free Trade Zone Subsidiary Letter of Guarantees	4.262	3.922
<b>B. Total amount of the GPM furnished in the favour of the corporations included in the scope of full consolidation</b>	<b>156.703.961</b>	<b>153.013.592</b>
Sureties	137.092.942	149.783.442
Mortgages	3.102.770	3.230.150
Letter of Guarantees	16.508.249	-
<b>C. Total amount of the GMP furnished for securing debts of other 3<sup>rd</sup> persons in order to carry out ordinary business operations</b>	<b>-</b>	<b>-</b>
<b>D. Total amount of other GMPs furnished</b>		
i. Total amount of GMP furnished in the favour of the main partner		
ii. Total amount of the GMPs furnished in the favour of the other group companies that are not within the scope of B and C		
iii. Total amount of the GMPs furnished in the favour of 3 <sup>rd</sup> persons that are not within the scope of C		
<b>Total</b>	<b>429.606.057</b>	<b>488.475.113</b>

For bonds in value of TL 29.184.986 submitted to the Major Taxpayers Office, the portion of TL 17.750.295 was liquidated prior to the Report date.

## Dividend Distribution Policy

1. Annual profit of the Company is distributed by virtue of the general assembly decision as per the Dividend Distribution policy formulated in accordance with the Turkish Commercial Code, Capital Market Law, appropriate regulations and Company's articles of association.
2. Board specifies its proposal for dividend distribution in line with appropriate legal provisions and by observing the sensitive benefit balance between shareholders and Company.
3. The decision of whether to distribute dividend or not is taken by the general assembly upon the proposal of the board. Board's proposal for dividend distribution is publicly disclosed together with the dividend distribution scheme, whose format and content are defined by the capital markets board, in line with CMB's regulations on the disclosure of material events, on the date when the agenda of the general assembly meeting is announced at the latest, and then posted in the Company's corporate web site.
4. Dividend distribution process is initiated no later than the end of accounting period for which the general assembly meeting where dividend distribution is decided is held.
5. Dividend may be paid on instalments of equal or different amounts subject to the further appropriate decision of the general assembly. Number and timing of instalments are determined by the general assembly or by the board of directors authorized thereby.
6. Instalment payments are distributed equally to all of the shares existing as of the date of payment pro rata their shares in capital, regardless of their dates of issuance and acquisition.
7. Dividend per share is found by dividing the profit to be distributed to shareholders under the general assembly decision by total number of shares.
8. There is no share certificate granting any privilege for dividend share.
9. Since the share certificates of the Company are registered on account as per the applicable regulations, dividend payments are deposited to Takasbank A.Ş. for further transfer to the accounts of shareholders with brokers and banks upon Central Registry's request on the date specified by the general assembly.
10. Dividend distribution is effected in accordance with Turkish Commercial Code, Capital Market Law, applicable regulations and the Company's articles of association.
11. The Company's articles of association should contain a specific provision for dividend distribution to Board members and Company's employees.
12. The Company's articles of association should contain a provision to make donations. The limit of donation is specified by the general assembly. Donations made within the given fiscal period are added to the distributable profit base. Donation and grant payments are publicly disclosed in accordance with the regulations on the public disclosure of material events, and communicated to shareholders during the ordinary general assembly.
13. Dividend distribution policy is formulated in accordance with the Turkish Commercial Code, Capital Market Law, appropriate legal regulations and the Company's articles of association, and included in the annual report. Shareholders are informed accordingly during the general assembly.
14. In case it is proposed to make an amendment to the dividend distribution policy, the Board resolution on this matter and justification thereof are publicly disclosed in accordance with CMB's regulations on the public disclosure of material events.



## Dividend Distribution Proposal

The Net Distributable Profit for the Period found after deducting Taxes Payable and General Legal Reserve Fund from the profit for the period recognized in the Consolidated Statement of Income of 31.12.2014 issued in line with CMB's Communiqués is TL 23.639.795. We hereby submit to your approval our proposal for distributing such profit according to the distribution scheme provided in the table below as per Article 25 of the Company's Articles of Association, deliver a net dividend of 12% to shareholders, and schedule the date of distribution as 30.06.2015.

If this proposal is accepted, a gross dividend of 14,117647% (TL 0,14117647) (net: 12% (TL 0,12) will be distributed for each share, with a par value of TL 1, of the paid-in capital of TL 100.000.000.

Kind Regards,

Board of Directors

	SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş. DIVIDEND DISTRIBUTION TABLE FOR THE YEAR 2014 (TL)		
		PURSUANT TO CML	PURSUANT TO OFFICIAL RECORDS
1.	Paid/Issued Capital		100.000.000
2.	General Legal Reserves (as specified in the Official Records)		19.274.775
	Information on the relevant privilege if any privileges are applied in the distribution of dividends pursuant to Articles of Incorporation.		None.
3.	<b>PROFIT FOR THE PERIOD</b>	<b>27.613.322</b>	<b>21.088.499</b>
4.	Taxes (-)	3.337.766	3.626.079
	Corporate Tax (-)	3.337.766	3.626.079
	Provision for Deferred Tax (-)	0	0
5.	<b>Net Profit for the Period</b>	<b>24.275.556</b>	<b>17.462.420</b>
6.	Losses of Previous Years (-)	0	0
7.	General Legal Reserve (-)	873.121	873.121
8.	<b>Net Distributable Profit for the Period</b>	<b>23.402.435</b>	<b>16.589.299</b>
9.	Donations (+)	237.360	
10.	<b>Net Distributable Profit for the Period Incl. Donations</b>	<b>23.639.795</b>	
11.	First Dividend to Shareholders	1.181.990	
	Cash	1.181.990	
	Bonus	0	
	Total	1.181.990	
12.	Total	0	
13.	Other Dividends Distributed	791.829	
	- Dividend to Board Members	791.829	
14.	Dividend Distributed to Holders of Redeemed Shares	0	
15.	Second Dividend to Shareholders	12.935.657	
	Cash	12.935.657	
	Bonus	0	
	Total	12.935.657	
16.	General Legal Reserve (-)	990.948	
17.	Statuary Reserves	0	0
18.	Special Reserves	0	0
19.	<b>EXTRAORDINARY RESERVE</b>	<b>7.502.011</b>	<b>688.875</b>
20.	Other Resources to be Distributed	0	0

### INFORMATION ON DIVIDENDS PER SHARE

NET	GROUP	TOTAL DIVIDENDS DISTRIBUTED		TOTAL DIVIDENDS DISTRIBUTED/ NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND CORRESPONDING TO SHARE WITH PAR VALUE OF 1 TL	
		CASH (TL)	BONUS (TL)		AMOUNT (TL)	RATIO (%)
	A			0,60	0,12	12
	B			11.999.999,40	0,12	12
	TOTAL			12.000.000,00	0,12	12

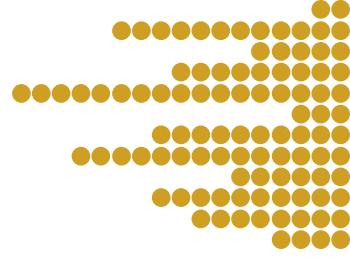
Dear Shareholder,

In the following parts of our annual report, the Company's balance sheet of 31.12.2014 and statement of income for the period 01.01.2014-31.12.2014 and notes thereto are submitted for your consideration after consolidation as per CMB's Communiqué no II-14.1/29 on Reporting Principles.

Kind Regards,

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Board of Directors



## Independent Auditor Report on Annual Report of the Board of Directors

To the Board of Directors of  
**Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi,**

### Report on the Audit of the Annual Report of the Board of Directors Pursuant to the Independent Audit Standards

We have audited the Annual Report of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi ("Company") and its Subsidiaries (hereinafter referred to as "Group" collectively) for the fiscal period then ending December 31, 2014.

#### Board's Responsibility for Annual Report

Group Management is responsible for correctly issuing the annual report in consistent with financial statements pursuant to Article 514 of the Turkish Commercial Code no 6102, and CBM's Communiqué no II-14.1 on Principles of Financial Reporting in the Capital Market, and further for the internal control deemed necessary for ensuring that an annual report of such nature as described above is prepared.

#### Responsibility of the Independent Auditor

Our responsibility is to express an opinion, based on the independent audit we have performed on the Group's annual report in accordance with Article 397 of the TCC and the Communiqué, on whether the financial information provided in this annual report is presented fairly and consistent with the Group's financial statements.

Our independent audit has been performed in accordance with the Independence Auditing Standards which are a part of Turkish Auditing Standards promulgated by the Public Oversight, Accounting and Auditing Standards Authority of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report is free from material misstatement and consistent with the financial statements.

This independent audit involves the application of auditing procedures in order to obtain audit evidence on the financial information. The selection of these procedures is based in the professional judgement of the independent auditor.

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

#### Opinion

In our opinion, the financial information provided in the annual report of the Board of Directors is presented fairly and consistent with the audited financial statements in all material respects.

#### Liabilities Arising from Other Regulatory Requirements

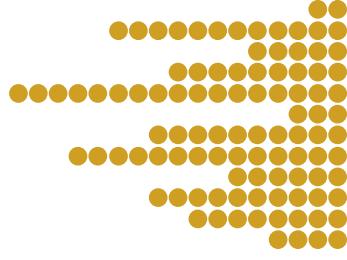
In accordance with paragraph 3 of Article 402 of the Turkish Commercial Code ("TCC"), within the framework of the ISA 570 "Going Concern," no material uncertainty has come to our attention which causes us to believe that the Group will not be able to continue as a going concern in the foreseeable future.

ÇAĞDAŞ BAĞIMSIZ DENETİM S.M.M.M. A.Ş.  
An Independent Member of IAPA International



ÖZCAN AKSU  
Responsible Partner Lead Auditor  
(Istanbul, March 10, 2015)

**Consolidated Financial Statements**  
**Dated January 1, 2014 - December 31, 2014**  
**and Independent Auditor's Report**



## Independent Auditors' Report on the Financial Statements

To the Board of Directors of

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi;

### ***Introduction***

- 1) We have audited the accompanying consolidated statement of financial position of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi (the Company) and its Subsidiaries (together will be referred to as the "Group") as at December 31, 2014 and the related consolidated statement of profit or loss and consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

### ***Group Management's Responsibility for the Financial Statements***

- 2) Group's management is responsible for the preparation and fair presentation of financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") of Turkey and for such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

### ***Independent Auditor's Responsibility***

- 3) Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and standards on auditing issued by POA. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.
- 4) Independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error and/or fraud. In making those risk assessments, the Company's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system but to design independent audit procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Group and its internal control system. Our independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management as well as evaluating the overall presentation of the financial statements.
- 5) We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our audit opinion

### *Opinion*

- 6) In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Sarkuyan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi as at December 31, 2014 and their financial performance and consolidated cash flows for the year then ended in accordance with the Turkish Accounting Standards.

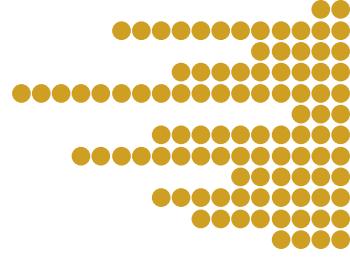
### *Reports on other responsibilities arising from regulatory requirements*

- 7) Auditors' report on Risk Management System and Committee prepared in accordance with subparagraph 4, Article 398 of Turkish Commercial Code no. 6102 ("TCC") is submitted to the Board of Directors of the Company on March 10, 2015.
- 8) In accordance with subparagraph 4, Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2014 and financial statements are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
- 9) In accordance with subparagraph 4, Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

ÇAĞDAŞ BAĞIMSIZ DENETİM S.M.M.M. A.Ş.  
An Independent Member of IAPA International



ÖZCAN AKSU  
Principal Auditor in Charge  
(Istanbul, March 10, 2015)



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.  
**Consolidated Financial Statements and Notes to the  
Consolidated Financial Statements as of December 31, 2014**

TABLE OF CONTENTS	PAGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.	42-43
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	44
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT	45
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	46-47
CONSOLIDATED CASH FLOW STATEMENT	48
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	49-130

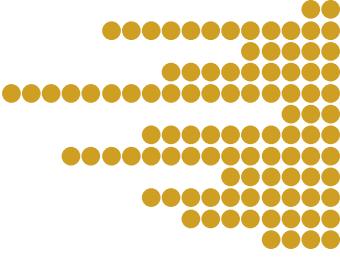
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Consolidated Statement of Financial Position  
for the Period Ended December 31, 2014**

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited Current Period December 31, 2014	Audited Previous Period December 31, 2013
<b>ASSETS</b>			
<b>Current Assets</b>		<b>634.516.107</b>	<b>687.300.095</b>
Cash and Cash Equivalents	Note: 6	56.706.928	34.246.530
Financial Investments	Note: 7	-	-
Trade Receivables	Note: 10	360.583.518	439.927.652
<i>Other Trade Receivables</i>	Note: 10	359.418.079	438.779.160
<i>Trade Receivables from Related Parties</i>	Note: 10, Note: 37	1.165.439	1.148.492
Other Receivables	Note: 11	37.196.181	38.791.872
<i>Other Receivables</i>	Note: 11	37.196.181	38.791.872
<i>Other Receivables from Related Parties</i>	Note: 11, Note: 37	-	-
Derivative Financial Instruments	Note: 14	1.184.502	183.816
Inventories	Note: 13	168.570.671	170.115.661
Prepaid Expenses	Note: 26	4.135.102	2.872.412
Current Tax Assets	Note: 35	576.413	169.482
Other Current Assets	Note: 26	5.562.792	992.670
<b>Non-Current Assets</b>		<b>241.340.771</b>	<b>221.084.182</b>
Financial Investments	Note: 7	11.797	11.797
Due From Finance Sector Operations	Note: 12	-	-
Other Receivables	Note: 11	92.938	995.528
<i>Other Receivables</i>		92.938	995.528
<i>Other Receivables from Related Parties</i>		-	-
Derivative Financial Instruments	Note: 14	-	-
Investments Evaluated with Equity Method	Note: 16	32.804.604	30.352.459
Investment Properties	Note: 17	35.432.755	29.317.755
Tangible Assets	Note: 18	161.347.903	152.181.104
Intangible Assets		4.171.818	4.194.240
<i>Goodwill</i>	Note: 20	-	-
<i>Other Intangible Assets</i>	Note: 19	4.171.818	4.194.240
Prepaid Expenses	Note: 26	1.088.642	485.180
Deferred Tax Asset	Note: 35	6.390.314	3.546.119
<b>TOTAL ASSETS</b>		<b>875.856.878</b>	<b>908.384.277</b>

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.  
**Consolidated Statement of Financial Position  
for the Period Ended December 31, 2014**  
(Amounts are stated in TL unless otherwise stated.)

LIABILITIES	Notes	Audited Current Period December 31, 2014	Audited Previous Period December 31, 2013
<b>Short-Term Liabilities</b>		<b>500.065.981</b>	<b>538.820.239</b>
Short-Term Financial Liabilities	Note: 8	430.900.851	430.956.820
Short-term Portion of Long-term Financial Liabilities	Note: 8	-	970.737
Trade Payables	Note: 10	37.533.667	64.008.634
<i>Other Trade Payables</i>		37.533.667	64.008.634
<i>Trade Payables to Related Parties</i>		-	-
Employee Benefit Obligations	Note: 12	197.357	243.469
Other Payables	Note: 11	4.119.857	4.747.170
<i>Other Payables</i>		4.119.857	4.665.520
<i>Other Payables to Related Parties</i>	Note: 11, Note: 37	-	81.650
Derivative Financial Instruments	Note: 14	180.387	1.293.482
Deferred Income	Note: 26	19.588.901	34.261.429
Profit Tax Liabilities	Note: 35	1.549.222	963.567
Provisions	Note: 22	5.995.739	1.374.931
<i>Provisions for Employee Benefits</i>		5.175.166	689.461
<i>Other Provisions</i>		820.573	685.470
Other Current Liabilities	Note: 26	-	-
<b>Long-Term Liabilities</b>		<b>44.798.981</b>	<b>44.988.037</b>
Long-Term Payables	Note: 8	24.437.259	26.322.986
Long-Term Provisions		20.361.722	18.665.051
<i>Provisions for Employee Benefits</i>	Note: 24	20.361.722	18.665.051
<i>Other Long-Term Provisions</i>	Note: 22	-	-
Deferred Tax Liabilities	Note: 35	-	-
<b>SHAREHOLDERS' EQUITY</b>		<b>330.991.916</b>	<b>324.576.001</b>
<b>Parent Company Shareholders' Equity</b>	Note: 27	<b>330.894.361</b>	<b>324.402.238</b>
Paid-in Capital		100.000.000	100.000.000
Inflation Adjustment of Shareholders' Equity		51.466.039	51.466.039
Other Comprehensive income/expense not to be reclassified to profit or loss		12.019.896	9.765.329
<i>-Revaluation and gain/loss arising from Measurement</i>		11.302.055	9.537.655
<i>-Other gain/loss</i>		717.841	227.674
Other Comprehensive income/expense to be, reclassified to profit or loss		7.845.059	6.006.787
<i>- Foreign Currency Translation Adjustments</i>		7.845.059	6.006.787
Restricted Profit Reserves		50.074.694	17.563.933
Retained Earnings		85.153.905	113.701.219
Net Profit/Loss		24.334.768	25.898.931
<b>Non-Controlling Interests</b>	Note: 27	<b>97.555</b>	<b>173.763</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>875.856.878</b>	<b>908.384.277</b>

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

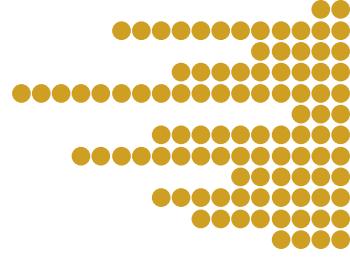
**Consolidated Statement of Profit or Loss**

**for the Period Ended December 31, 2014**

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited Current Period January 1, 2014 December 31, 2014	Audited Previous Period January 1, 2013 December 31, 2013
<b>PROFIT OR LOSS</b>			
Revenue	Note: 5, Note: 28	2.546.168.607	2.411.857.861
Cost of Sales (-)	Note: 5, Note: 28	(2.454.071.695)	(2.307.658.735)
		<b>92.096.912</b>	<b>104.199.126</b>
<b>GROSS PROFIT</b>			
Marketing, Selling and Distribution Expenses (-)	Note: 29	(24.635.772)	(22.737.997)
General Administration Expenses (-)	Note: 29	(24.290.876)	(21.494.550)
Research and Development Expenses (-)	Note: 29	(737.058)	(371.053)
Other Operating Income	Note: 31	73.589.233	126.193.470
Other Operating Expenses (-)	Note: 31	(36.297.171)	(42.631.519)
		<b>79.725.268</b>	<b>143.157.477</b>
<b>OPERATION PROFIT/(LOSS)</b>			
Income from Investment Activities	Note: 32	184.871	1.036.258
Loss from Investment Activities (-)	Not: 32	-	-
The Profit/(Loss) Portion of Investments Evaluated With Equity Method	Note: 16	1.961.978	277.443
		<b>81.872.117</b>	<b>144.471.178</b>
<b>OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSE</b>			
Financial Income	Note: 33	69.531.082	28.439.361
Financial Expense (-)	Note: 33	(123.789.877)	(145.182.561)
		<b>27.613.322</b>	<b>27.727.978</b>
<b>CONTINUED OPERATIONS PROFIT/(LOSS) BEFORE TAX</b>			
<b>Continued Operations Tax Profit/(Loss)</b>	Note: 35	(3.337.766)	(2.364.373)
- Current Period Tax Income/(Expense)		(6.287.931)	(10.484.096)
- Deferred Tax Income/(Expense)		2.950.165	8.119.723
		<b>24.275.556</b>	<b>25.363.605</b>
<b>CONTINUED OPERATIONS PERIOD PROFIT/(LOSS)</b>			
<b>DISCONTINUED OPERATIONS</b>			
<b>Discontinued Operations Profit/(Loss) After Tax</b>			
<b>PERIOD PROFIT/(LOSS)</b>		<b>24.275.556</b>	<b>25.363.605</b>
<b>Distribution of Period Profit/(Loss)</b>		<b>24.275.556</b>	<b>25.363.605</b>
Non-Controlling Interests		(59.212)	(535.326)
Parent Company		24.334.768	25.898.931
<b>Net Earnings Per Share</b>	Note: 36	<b>0,00243</b>	<b>0,00259</b>

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Consolidated Statement of Other Comprehensive Income  
for the Period Ended December 31, 2014**

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited Current Period January 1, 2014 December 31, 2014	Audited Previous Period January 1, 2013 December 31, 2013
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>24.275.556</b>	<b>25.363.605</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be reclassified to profit or loss</b>		<b>2.249.514</b>	<b>(2.078.255)</b>
Revaluation Funds of Investment Properties	Note: 17	1.840.894	-
Tax Effect	Note: 17	(92.045)	-
Actuarial loss arising from defined benefit plans	Note: 24	24.423	(2.869.719)
Tax Effect	Note: 24	(13.925)	564.306
Portion of Other Comprehensive Income from Investment Evaluated by Equity Method	Note: 16	490.167	227.158
Tax Effect		-	-
<b>Items to be reclassified to profit or loss</b>		<b>1.841.407</b>	<b>5.319.516</b>
Foreign Currency Translation Adjustment	Note: 27	1.841.407	5.319.516
<b>OTHER COMPREHENSIVE INCOME</b>		<b>4.090.921</b>	<b>3.241.261</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>28.366.477</b>	<b>28.604.866</b>
<b>Distribution of Comprehensive Income</b>		<b>28.366.477</b>	<b>28.604.866</b>
Non-Controlling Interests		(61.130)	(547.326)
Parent Company		28.427.607	29.152.192

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

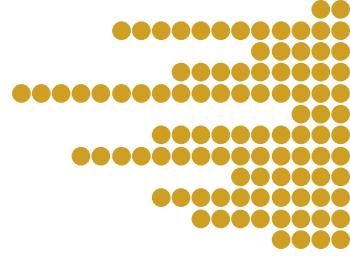
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Consolidated Statement of Changes in Shareholder's Equity  
for the Period Ended December 31, 2014**

(Amounts are stated in TL unless otherwise stated.)

Audited Previous Period	Note	Paid-in Capital	Share Adjustment Differences	Other Comprehensive Income/(Expense) not to be Reclassified to Profit or Loss	
				Revaluation and Gain/Loss Arising from Measurement	Other Gain/Loss
<b>JANUARY 1, 2013</b>		100.000.000	51.466.039	36.754.096	-
Transfers	Note: 27	-	-	-	-
Dividends	Note: 27	-	-	-	-
Capital Increase		-	-	-	-
Transfer to Retained Earnings in the cause of Tangible Assets Disposal	Note: 27	-	-	(24.915.030)	-
Other Changes Increase/Decrease		-	-	-	-
Total Comprehensive Income	Note: 27	-	-	(2.301.411)	227.674
- Net Current Period Profit		-	-	-	-
- Foreign Currency Translation Adjustments		-	-	-	-
- Profit/(Loss) Portion of Investments Evaluated by Equity Method		-	-	-	227.674
- Actuarial Gain/Loss from Defined Pension Plans		-	-	(2.301.411)	-
<b>DECEMBER 31, 2013</b>		<b>100.000.000</b>	<b>51.466.039</b>	<b>9.537.655</b>	<b>227.674</b>
Other Comprehensive Income/(Expense) not to be Reclassified to Profit or Loss					
Audited Current Period	Note	Paid-in Capital	Share Adjustment Differences	Revaluation and Gain/Loss Arising from Measurement	Other Gain/Loss
<b>JANUARY 1, 2014</b>		100.000.000	51.466.039	9.537.655	227.674
Transfers	Note: 27	-	-	-	-
Dividends	Note: 27	-	-	-	-
Total Comprehensive Income	Note: 27	-	-	1.764.400	490.167
- Net Current Period Profit		-	-	-	-
- Foreign Currency Translation Adjustments		-	-	-	-
- Portion of Other Comprehensive Income from Investment Evaluated by Equity Method		-	-	-	490.167
- Actuarial Gain/Loss from Defined Pension Plans		-	-	15.551	-
- Investment Property Revaluation Fund		-	-	1.748.849	-
<b>DECEMBER 31, 2014</b>		<b>100.000.000</b>	<b>51.466.039</b>	<b>11.302.055</b>	<b>717.841</b>

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



**Other Comprehensive Income/  
(Expense) to be Reclassified to  
Profit or Loss**

**Accumulated Profit**

Foreign Currency Translation Adjustments	Other Gain/Loss	Restricted Reserves	Previous Years Profit/Loss)	Net Current Year Profit/Loss	Parent Company Equity	Non- Controlling Interests	Shareholder's Equity
679.788	-	14,700.122	77,365,292	33,387,808	314,353,145	734,676	315,087,821
-	-	2,863,811	30,523,997	(33,387,808)	-	-	-
-	-	-	(19,103,100)	-	(19,103,100)	(13,586)	(19,116,686)
-	-	-	-	-	-	-	-
-	-	-	24,915,030	-	-	-	-
-	-	-	-	-	-	-	-
5,326,999	-	-	-	25,898,931	29,152,193	(547,327)	28,604,866
-	-	-	-	25,898,931	25,898,931	(535,326)	25,363,605
5,326,999	-	-	-	-	5,326,999	(7,483)	5,319,516
-	-	-	-	-	227,674	(516)	227,158
-	-	-	-	-	(2,301,411)	(4,002)	(2,305,413)
<b>6,006,787</b>	<b>-</b>	<b>17,563,933</b>	<b>113,701,219</b>	<b>25,898,931</b>	<b>324,402,238</b>	<b>173,763</b>	<b>324,576,001</b>

**Other Comprehensive  
Income/(Expense) to be  
Reclassified to Profit or Loss**

**Restricted Reserves**

**Accumulated Profit**

Foreign Currency Translation Adjustments	Other Gain/ Loss	Legal Reserves	Gain on Sale of Participation Shares and Real Estate	Previous Years Profit/ Loss)	Net Current Year Profit/ Loss	Parent Company Equity	Non- Controlling Interests	Shareholder's Equity
6,006,787	-	17,563,933	-	113,701,219	25,898,931	324,402,238	173,763	324,576,001
-	-	4,988,038	27,522,723	(6,611,830)	(25,898,931)	-	-	-
-	-	-	-	(21,935,484)	-	(21,935,484)	(15,078)	(21,950,562)
1,838,272	-	-	-	-	24,334,768	28,427,607	(61,130)	28,366,477
-	-	-	-	-	24,334,768	24,334,768	(59,212)	24,275,556
1,838,272	-	-	-	-	-	1,838,272	3,135	1,841,407
-	-	-	-	-	-	490,167	-	490,167
-	-	-	-	-	-	15,551	(5,053)	10,498
-	-	-	-	-	-	1,748,849	-	1,748,849
<b>7,845,059</b>	<b>-</b>	<b>22,551,971</b>	<b>27,522,723</b>	<b>85,153,905</b>	<b>24,334,768</b>	<b>330,894,361</b>	<b>97,555</b>	<b>330,991,916</b>

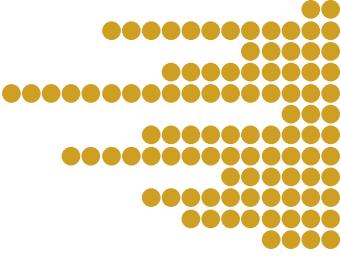
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Consolidated Statement of Cash Flows  
for the Period Ended December 31, 2014**

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited Current Period January 1, 2014 December 31, 2014	Audited Previous Period January 1, 2013 December 31, 2013
<b>A) CASH FLOW PROVIDED FROM OPERATIONS</b>			
Net Profit/(Loss)	Note: 36	24.275.556	25.363.605
<b>Adjustments:</b>			
Depreciation and Amortization (+)	Note: 18, Note: 19	15.591.381	16.130.324
Change in Provision for Termination Indemnities (+)	Note: 24	3.742.185	3.214.479
Rediscount on Receivables (+), (-)	Note: 10	(537.626)	568.673
Provision for Doubtful Receivables (+)	Note: 10, Note: 26, Note: 31	638.576	3.307.782
Other Provisions (+), (-)	Note: 22	4.620.808	(935.434)
Terminated Provisions for Doubtful Receivables (-)	Note: 10, Note: 26, Note: 31	(418.826)	(586.104)
Change in Derivative Instruments Net Income/Expense	Note: 33	3.088.732	15.294.023
Interest Income (-)	Note: 33	(1.419.554)	(3.142.622)
Interest Expense (+)	Note: 33	35.851.558	29.594.229
Unrealized Foreign Exchange Differences		9.359.460	7.664.286
Tax (Income)/Expense	Note: 35	3.337.766	2.364.373
The Profit/(Loss) Portion of Investments Evaluated With Equity Method	Note: 16	(1.961.978)	(277.443)
Provision for Decrease in Value of Inventories (+)	Note: 13	3.989.165	(1.733)
Rediscount on Notes Payable (-)	Note: 10	552.252	(410.225)
Changes in Revaluation of Investment	Note: 17	(4.250.000)	(6.960.000)
Gain/Loss of Fixed Assets	Note: 32	(183.532)	(958.464)
<b>Operational Income before Changes in Working Capital (+)</b>		<b>96.275.923</b>	<b>90.229.749</b>
Increase in Trade Receivables/Other Receivables (-)	Note: 10, Note: 11	82.160.291	(13.838.664)
Decrease/Increase in Inventories (+), (-)	Note: 13	(2.444.175)	12.481.218
Changes in Trade and Other Payables	Note: 10, Note: 11	(27.654.532)	(78.381.180)
Deferred Income increase (-)/decrease (+)	Note: 26	(14.672.529)	16.488.601
Deferred VAT	Note: 26	(3.019.163)	9.157.349
Prepaid Expenses Increase (-)/Decrease (+)	Note: 26	(1.866.151)	2.240.655
Other Current/Non-Current Assets in Increase (-)/Decrease (+)	Note: 26	(1.550.959)	3.061.573
Employee Benefit Obligation Increase (-)/Decrease (+)	Note: 12	(46.112)	(44.766)
Other Increase and Decrease in Working Capital (+)/(-)		(631.826)	2.190.782
Taxes Paid	Note: 35	(6.278.689)	(11.988.944)
Termination Indemnity Paid	Note: 24	(2.021.091)	(1.105.776)
<b>Net Cash Inflow Provided/(Used) From Operating Activities:</b>		<b>118.250.987</b>	<b>30.490.597</b>
<b>B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Acquisitions of Tangible Assets and Investment Property (-)	Note: 17, Note: 18, Note: 19	(25.188.487)	(23.314.903)
Tangible Assets Disposals (+)	Note: 18, Note: 19	612.154	1.621.065
Investment Property Disposals (+)	Note: 17	0	44.500.000
<b>Net Cash Provided/(Used) From Investment Activities:</b>		<b>(24.576.333)</b>	<b>22.806.162</b>
<b>C) CASH FLOWS FROM FINANCIAL ACTIVITIES</b>			
Credit Received	Note: 8	1.135.884.811	767.467.047
Credit Paid	Note: 8	(1.155.226.137)	(786.985.745)
Payments/Collections from Derivative Instruments	Note: 33, Note: 14	(5.202.513)	(13.612.975)
Payment of Principal in Financial Lease Liabilities	Note: 8	(970.737)	(1.116.290)
Payment of Interest (Net)	Note: 33	(24.969.785)	(22.603.381)
Dividend Paid (-)	Note: 27	(21.950.562)	(19.116.685)
Net Cash Related to Financial Activities		(72.434.923)	(75.968.029)
Net Decrease/Increase in Cash and Cash Equivalents Before			
Currency Translation Differences		1.217.480	7.002.144
Net Changes in Cash and Cash Equivalents		22.457.211	(15.669.126)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	Note: 6	<b>34.223.666</b>	<b>49.892.792</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	Note: 6	<b>56.680.877</b>	<b>34.223.666</b>

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 1 ORGANIZATION AND BUSINESS SEGMENT**

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. (The Company) was established on May 3, 1972 and company shares are traded on the Borsa İstanbul (BIST). The main operations of the company are to produce and trade electrolytic copper wire, copper and copper alloys.

The registered address of the company is at Emek Mahallesi Aşiroğlu Cad. No: 147 Darıca Kocaeli.

All of the shares are publicly traded and there is no shareholder who is holding voting rights more than 10%.

The subsidiaries and affiliates of the company as of December 31, 2014 are as follows:

Partner Name	Subsidiary Name	Area of Operation	Country	Partnership Percentage
Sarkuysan A.Ş.	Sarmakina San. ve Tic. A.Ş.	Packaging materials steel coil, import machinery's import and export	Turkey	99,00
Sarkuysan A.Ş.	Sarda Dağ. ve Tic. A.Ş.	Marketing and Distribution	Turkey	99,97
Sarkuysan A.Ş.	Bektaş Emaye Kablo San. Tic. A.Ş.	Non-operational and receives participation income	Turkey	70,71
Sarkuysan A.Ş.	Sark - USA, Inc.	Markets Sarkuysan A.Ş. and Sark Wire Corps products in the US market	USA	100,00
Sarkuysan A.Ş.	Ege Free Zone Branch	Import and trade of electrolytic copper wire.	Turkey	100,00
Sarkuysan A.Ş.	Demisaş Döküm Emaye Mam. San. A.Ş.	Import and trade of steels parts for automotive and household appliances	Turkey	44,44
Sarkuysan A.Ş.	Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	The company produces and trades energy by using conductive metals company fens, data, telecom cables, insulated conductors, and all kinds of other internal and external trade of components and their production.	Turkey	57,30
Sarda Dağ. ve Tic. A.Ş.	Bektaş Emaye Kablo San. Tic. A.Ş.	Non-operational and receives participation income	Turkey	29,13
Sarda Dağ. ve Tic. A.Ş.	Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	The company produces and trades energy by using conductive metals company fens, data, telecom cables, insulated conductors, and all kinds of other internal and external trade of components and their production.	Turkey	10,00
Bektaş Emaye Kablo San. Tic. A.Ş.	Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	The company produces and trades energy by using conductive metals company fens, data, telecom cables, insulated conductors, and all kinds of other internal and external trade of components and their production.	Turkey	17,00
Sarkuysan A.Ş.	Sark Wire Corp.	Copper wire production and marketing.	USA	60,00
Bektaş Emaye Kablo San. Tic. A.Ş.	Sark Wire Corp.	Copper wire production and marketing.	USA	12,50
Sark - USA, Inc.	Sark Wire Corp.	Copper wire production and marketing.	USA	12,50
Sarmakina San. ve Tic. A.Ş.	Sark Wire Corp.	Copper wire production and marketing.	USA	15,00
Sarmakina San. ve Tic. A.Ş.	Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	The company produces and trades energy by using conductive metals company fens, data, telecom cables, insulated conductors, and all kinds of other internal and external trade of components and their production.	Turkey	10,00

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Hereafter, in the consolidated financial statements and footnotes, Sarkuysan and the consolidated subsidiaries will be referred as "Group".

The average number of the personnel is 960. (December 31, 2013: 942)

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Unionized employees	512	456
Non-unionized employees	74	109
White-collar employees	374	377
<b>Total</b>	<b>960</b>	<b>942</b>

These consolidated financial statements were approved to be published at a meeting of the Board of Directors, dated March 10, 2015 and was signed by the Chairman of the Board of Directors Hayrettin Çayci, Accounting Manager Emine Gündoğ on behalf of the Board. The General Assembly has the authority to amend the financial statements.

**NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**2.01 Basic Principles for the Presentation**

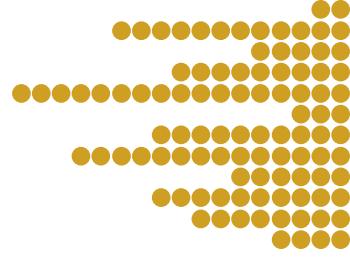
The Group maintains its books of accounts and legal financial statement in accordance with Turkish Commercial Code and accounting principles determined in tax legislations. Subsidiaries operating in foreign countries prepare accounting records and statutory financial statements according to currencies of the country where they are in and in accordance with the legislation of the countries. The Group's financial position and operation results are indicated in the Group's functional currency, Turkish Lira.

As a result of preparation of the condensed consolidated financial statements in accordance with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. In line with this 5<sup>th</sup> article communiqué, The Group is applied in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by Public Oversight Accounting And Auditing Standards Authority ("POA").

**Financial Statements of the Subsidiaries which are Operated in Other Countries:**

If the functional currency of any of the group companies is different than the reporting currency, the functional currency is translated into reporting currency according to the following rules (none of the currencies of the group companies belong to a hyper inflationist economy)

- Assets, liabilities and equity items except for the ones arising as a result of presenting income and expenses in the current period financial statements (except certain shareholder's equity items) are translated into Turkish Liras at the closing rate at the date of that statement of financial position. Capital and capital reserves are carried at their historical nominal values and the translation differences arising from these are recorded under the equity item translation differences.
- Income and expenses in the Statement of profit or loss are translated by the average exchange rate and the translation differences are presented under Shareholders' Equity and Comprehensive Statement of Profit or Loss as a separate item
- When a section of the foreign operations are sold, the exchange differences which were recorded under Shareholders' Equity are transferred to Statement of Profit or Loss as sales income or expense. Goodwill and fair value adjustments arising from an acquisition of a foreign company are considered to be assets and liabilities of the acquired entity and are translated using the closing exchange rate.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### 2.02 Dealing with the Inflation Effects in Hyper-Inflationary Periods

According to the decision dated March 17, 2005 with No: 11/367 made by the CMB, the inflation accounting has been no longer effective for the periods after January 1, 2005 for the companies that are operating in Turkey and preparing financial statements in accordance with CMB standards. Therefore, application of International Accounting Standards 29 "Financial Reporting on Hyper-Inflationist Economies" was ended after January 1, 2005.

### 2.03 Basis of Consolidation

Subsidiaries are companies in which the current shares has the power to control the financial and operating policies for the benefit of the Group, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or companies whereby the Group exercises control over the voting rights of the shares held by them, or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual control effect over the financial and operating policies.

The statement of financial positions and statements of income of the Subsidiaries are consolidated on a full consolidation basis and the carrying value of the investment held by the main partnership is eliminated against the related shareholders' equity. Intercompany transactions and balances between the Group and its Subsidiaries are eliminated when consolidating. The financing cost of, and the dividends arising from, shares held by the Group in its Subsidiaries are eliminated from shareholders' equity and related period's income, respectively.

The proportion of ownership interest and effective interest of the Group in these Joint Ventures as of December 31, 2014 and December 31, 2013 are as follows;

#### December 31, 2014

Subsidiaries Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Sarmakina San. ve Tic. A.Ş.	99%	-	99%
Sarda Dağ. ve Tic. A.Ş.	99,97%	-	99,97%
Bektaş Emaye Kablo San. Tic. A.Ş.	70,71%	29,13%	99,84%
Sark-USA, Inc.	100%	-	100%
Ege Serbest Bölge Şubesi	100%	-	100%
Sark Wire Corp.	60%	39,83%	99,83%
Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	57,30%	36,87%	94,17%

#### December 31, 2013

Subsidiaries Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Sarmakina San. ve Tic. A.Ş.	99%	-	99%
Sarda Dağ. ve Tic. A.Ş.	99,97%	-	99,97%
Bektaş Emaye Kablo San. Tic. A.Ş.	70,71%	29,13%	99,84%
Sark-USA, Inc.	100%	-	100%
Ege Serbest Bölge Şubesi	100%	-	100%
Sark Wire Corp.	60%	39,83%	99,83%
Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	57,30%	36,87%	94,17%

## Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

### Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Investments in Affiliates are accounted for by the equity method of accounting. These are entities over which the Group generally has between 20% and 50% of voting rights or has significant influence, but does not have control on these affiliates' operations. Unrealized gains that result from intercompany transactions between the Group and its Associates are eliminated on consolidation, whereas unrealized losses are eliminated unless they do not address any impairment. Equity accounting is discontinued when the carrying amount of the investment in an Associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the Associates. Such Associates are accounted at fair value if the fair value can be determined objectively; otherwise, they are accounted at cost.

Demisaş A.Ş., which is one of Sarkuysan Elektrolitik Bakır Sanayi and Ticaret A.Ş.'s subsidiaries, is accounted for under the equity method. According to equity method of accounting, subsidiaries are recorded initially at acquisition cost, and subsequently the amount of the parent's interest in the associate's shareholders' equity is reflected to financial statements by either adding the increase in the amount to the investment amount or subtracting the losses from the investment amount.

The table below discloses all affiliates and shows the total interest of the Group in these affiliates as of December 31, 2014 and December 31, 2013;

#### December 31, 2014

Subsidiary Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Demisaş Döküm Emaye Mam. San. A.Ş.	44,44%	-	44,44%

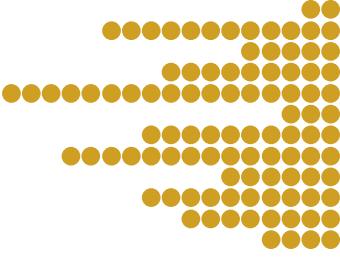
#### December 31, 2013

Subsidiary Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Demisaş Döküm Emaye Mam. San. A.Ş.	44,44%	-	44,44%

Financial Assets in which the Group and its Subsidiaries, have interest below 20%, or over which the Group does not have a significant influence even though having more than an interest over 20%, are classified as financial assets available for sale. Financial Assets available for sale that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Financial Assets available for sale that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value.

The results of Subsidiaries are included or excluded from consolidation regarding to their effective dates of acquisition and disposal, respectively.

The portion of the profit or loss and net assets of subsidiaries attributable to equity interests that are not owned, directly or indirectly by main partnership, is presented as non-controlling interests.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**2.04 Comparative Information and Adjustment of the Previous Consolidated Financial**

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency, with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary.

Changes made to previous period financial statements are as follows.

**Reclassifications in Statement of Financial Position as of December 31, 2013**

In accordance with POA's resolution "Accounting of Combinations under Common Control", Group revised its assessment of "Goodwill" amounting to TL 4.056.423 which was disclosed under Non-Current Assets was eliminated from shareholder' equity in dated January 1, 2013 opening consolidated statement of financial position. As a result of this transaction, Shareholder's equity and non-current assets amounting to TL 4.056.423 are decreased correlative in dated December 31, 2013 statement of financial position. Period profit and earnings per share were not affected by this transaction.

**2.05 Significant Accounting Considerations, Predictions and Assumptions**

During the preparation of the financial statements, the Group management has to make assumptions and predictions, which would indicate the possible liabilities, commitments as of the statement of financial position date as well as amounts of income and expense as of the reporting date. The realized results may differ from the estimates. Estimations are reviewed regularly and any corrections made to those estimates is corrected in the current period and reflected on the statement of profit or loss in the period which is occurred.

The Comments, which may have significant affects for the amounts reflected on the financial statements and the assumptions made that are existed as of statement of financial position date or may occur at future are as below:

- a) Termination Indemnity Liability is determined using the actuarial valuations (discount rates, salary increases for the future periods and estimated probability of retirement rates) (**Note 24**)
- b) Tangible assets are depreciated using the straight-line method over their economic lives. The estimated useful life and amortization are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. (**Note: 2.09.03- 2.09.04**)
- c) In the accompanying financial statements, the Group management made a litigation provision related to the law suits disclosed in **Note 22** in line with the opinion of the Group's legal counselors based on the best estimates.
- d) According to the accounting principles disclosed in **Note 2.11**, the goodwill is reviewed annually by the group management. The recoverable amount of cash generating units are based on the calculations of value in use. There are certain assumptions made for these calculations which are disclosed in the **Note 20**.
- e) The impairment for the trade receivables is determined using the credibility of debtors, previous payment performances and restructuring terms in case of restructure. (**Note: 10**)

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

f) When accounting for decrease in value of inventories, copper prices determined in London Metal Market as of balance sheet date and discounted pricing lists are taken into consideration. For inventories with an undeterminable sales price, inventory turnover periods and opinions of technical staff are evaluated. When cost value exceeds the assumed net realizable value a provision for decrease in value of inventories is reflected to the financial statements.  
**(Note: 13)**

g) The Group has chosen to use the revaluation model for Investment Properties in the accompanying consolidated financial statements.

### 2.06 Changes in Accounting Policies

The changes to the current accounting policies can be performed if it is necessary or the changes will provide more appropriate and reliable presentation of the transactions and events related to the financial position, performance and the cash flow of the Group that affect the financial statements of the Group. If the changes in accounting policies affects the prior periods, policy is applied to the prior period financial statements as if it is applied before. There are not any changes in the accounting policies of the Group in the current period.

### 2.07 Changes in Accounting Estimates and Errors

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period's financial statements are adjusted. On the other hand, if the amendments are related to the current as well as the forthcoming periods, then both current and forthcoming periods' financial statements are adjusted.

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements. However; if the affect of the accounting estimate to the financial statement is not determinable, then it is not disclosed in the notes to the financial statements. There are not any changes in accounting estimates which may affect the period results of the current period.

### 2.08 Offsetting

The financial assets and liabilities in the financial statements are offset and the net amount reported in the statement of financial position, where there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

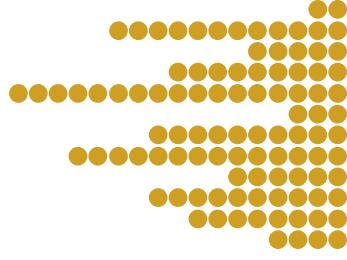
### 2.09 Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of the financial statements are as follows:

#### 2.09.01 Revenue Recognition

Group revenue consists mainly of electrolytic copper wire, copper and composite sales to the domestic market and overseas and subcontracting services. Rent income from investment properties is included in sales.

The Group recognizes income according to the accrual basis, when the Group reasonably determines the income and economic benefit is probable. Revenue is reduced for customer returns and sales discounts.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Revenue from the sale of goods is recognized when all the following conditions are gratified:

- The significant risks and the ownership of the goods are transferred to the buyer;
- The Group refrains the managerial control over the goods and the effective control over the goods sold;
- The revenue can be measured reasonably;
- It is probable that the economic benefits related to transaction will flow to the entity;
- The costs incurred or will be incurred in conjunction with the transaction can be measured reliably.

When the revenue from services can be measured reliably, the revenue is recorded in accordance with its completion level. If the revenue cannot be measured reliably, revenue is recognized as much as the recoverable amount of expenses that are associated with this revenue.

Other miscellaneous income that are derived by the Group, are recognized as follows:

Interest Income, on the basis of effective interest method, Rent and Royalty Income, on an accruals basis in accordance with the substance of the relevant agreement, Dividend Income, when the shareholder's right to receive payment is established.

Rent income from investment properties is recognized on a straight-line basis over the term of the respective lease.

When there is significant amount of cost of financing included in the sales, the fair value is determined by discounting all probable future cash flows with the yield rate, which is embedded in the cost of financing. The differences between the fair value and the nominal value are recorded as interest income according to the accrual basis.

**2.09.02 Inventories**

Inventories are stated either at the lower of acquisition cost or net realizable value. The cost basis of the inventories includes; the acquisition cost, conversion costs, and the costs incurred to bring the inventories to their existing status. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued using the monthly weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**2.09.03 Tangible Fixed Assets**

The property, plant, and equipment acquired after January 1, 2005 are carried at historical cost, which is computed by deducting the accumulated depreciation from their cost basis. For assets that were acquired before January 1, 2005, the tangible fixed assets are presented on the financial statement at indexed historical cost for inflation effects as at December 31, 2004. Tangible assets are depreciated using the straight-line method over their economic lives.

The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation:

TYPE	Economic Life (Year)	Depreciation Rates as of December 31, 2014 (%)	Depreciation Rates as of December 31, 2013 (%)
Land Improvements	25	4	4
Buildings	50	2	2
Machinery, Plant, and Equipment	12,5	8	8
Furniture and Fixtures	5	20	20
Vehicles	5	20	20
Other Tangible Assets	5	20	20
Leasehold improvements	5	20	20
Acquisition of Leased Assets	8-10	10-12,5	10-12,5

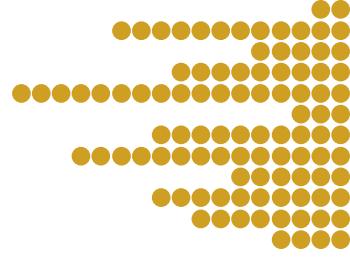
The expected useful lives, residual values and the depreciation method are reviewed annually for the probable effects of changes that occur in estimates. If there are any changes regarding the estimates, their effects are recognized retroactively.

The profit and loss arises from fixed asset sales are determined by comparing the net book value with the sales price and the difference is recorded as operating profit or loss.

Maintenance and repair costs are recorded as expense as at their realization date. If the maintenance and repair expenses clearly improve the economic value or performance of the related asset, then these costs are capitalized.

**2.09.04 Intangible Assets**

Intangible fixed assets acquired before January 1, 2005 are carried at indexed historical cost for inflation effects as at December 31, 2004; however, purchases after January 1, 2005 are carried at their historical cost less accumulated amortization and impairment. Intangible assets are depreciated on a straight-line basis over their expected useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

TYPE	Economic Life (Year)	Amortization Rates as of December 31, 2014 (%)	Amortization Rates as of December 31, 2013 (%)
Rights	5	20	20
Development Cost	5	20	20
Other Intangible Assets	3 - 10	10 - 33	10 - 33

**2.09.05 Impairment of Assets**

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization but they are annually tested for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

**2.09.06 Leasing Operations**

i) *Financial Leasing*

None.

ii) *Operational Leasing*

Lease agreements, which the lessor retains all the risks and benefits pertaining to the goods, are described as operational leases.

**The Group as Lessee:**

The lease payments are recognised as an expense in the income statement over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern of the user's benefit.

The transactions between parent company and subsidiaries are eliminated reciprocally within the scope of consolidation. (**Note: 29-30**)

**The Group as Lessor:**

The operational leasing collections are recognised as an income over the lease term on a straight-line basis.

The Group's rent income from investment property is recognized under revenue, other rent income is recognized under other operating income. The transactions between parent company and subsidiaries are eliminated reciprocally within the scope of consolidation. (**Note: 29-30**)

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### 2.09.07 Research and Development Costs

Research and development costs are expensed as incurred. Development expenses recognized in previous periods cannot be capitalized in following periods. Development costs are considered to be an intangible asset only as follows,

- The product or process is clearly defined and costs are separately identified and measured reliably,
- The technical feasibility of the product is demonstrated,
- The product or process will be sold or used in-house
- A potential market exists for the product or its usefulness in case of internal use is demonstrated,
- Adequate technical, financial and other resources required for completion of the project are available.

The costs of R&D projects, which fulfill the criteria mentioned above, are capitalized by linear depreciation method. The total amount which the Group capitalized during 2014 is TL 491.055 (December 31, 2013: TL 789.795)

### 2.09.08 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the statement of profit or loss in the period in which they are incurred. The Group did not capitalize any borrowing costs as of period end.

### 2.09.09 Financial Instruments

#### I. Financial Assets

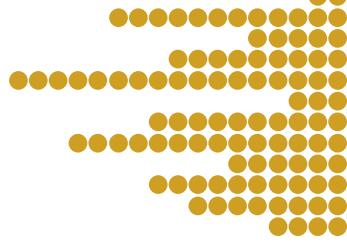
Investments are recognized and derecognized on trade date where the purchase of sales of an investment is under a contract, whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value, net of transaction costs except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

Other financial assets are classified as "financial assets, whose fair value differences are reflected to the profit or loss", "financial assets held to the maturity", "financial assets available for-sale" and "loans and receivables".

#### Prevailing Interest Method

Prevailing interest method is the valuation of financial asset with their amortized cost and allocation of interest income to the relevant period. Prevailing interest rate is that discounts the estimated cash flow for the expected life of financial instrument or where appropriate a shorter period.

Income related to financial assets, except the "financial assets, whose fair value differences are reflected to the profit or loss", is calculated by using the prevailing interest rate.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

*a) Financial Assets Whose Fair Value Differences Are Reflected to the Profit or Loss*

Financial assets whose fair value differences are reflected to the profit or loss", are the financial assets that are held for trading purposes. If a financial asset is acquired for trading purposes, it is classified in this category. Also, derivative instruments, which are not exempt from financial risk, are also classified as "Financial assets whose fair value differences are reflected to the profit or loss". These financial assets are classified as current assets.

*b) Financial Assets Which Will Be Held to the Maturity*

Debt instruments, which the Group has the intention and capability to hold to maturity, and/or have fixed or determinable payment arrangement are classified as "Investments Held to the Maturity". Financial asset that will be held to the maturity, are recorded after deducting the impairment from the cost basis, which has been amortized with prevailing interest method. All relevant income is calculated using the prevailing interest method.

*c) Financial Assets Available-For-Sale*

Financial assets, which are "Available-for-Sale" are either (a) financial assets, which will not be held to maturity or (b) financial assets, which are not held for trading purposes. Financial assets Available-for-Sale are recorded with their fair value if their fair value can be determined reliably. Marketable securities are shown at their cost basis unless their fair value can be reliably measured or have an active trading market. Profit or loss pertaining to the financial assets Available-for-Sale is not recorded on the statement of profit or loss. The fluctuation in the fair value of these assets is shown in the statement of shareholders' equity. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized is included in profit or loss for the period. Provisions recorded in the statement of profit or loss pertaining to the impairment of financial asset Available-for-Sale cannot be reversed from the statement of profit or loss in future periods. Except equity instruments classified as available-for-sale, if impairment loss decreases in next period and if therein decreasing can be related to an event occurred after the accounting of impairment loss, impairment loss accounted before, can be cancelled in statement of profit or loss.

*d) Loans and Receivables*

Trade receivables, other receivables, and loans are initially recognized at their fair value. Subsequently, receivables and loans are measured at amortized cost using the effective interest method.

*Impairment of Financial Assets*

Financial assets, whose fair value differences are reflected to the profit or loss are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired, where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

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

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

With respect to available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Cash and Cash Equivalents

Cash and cash equivalents are cash, demand deposit and other short-term highly liquid investments, which their maturities are three months or less from the date as of acquisition, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

II. Financial Liabilities

Financial liabilities and equity instruments are classified according to the contractual agreements entered into and the definition of financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all the liabilities. Accounting policies determined for the financial liabilities and the financial instruments based on equity are explained below.

Financial liabilities are classified as either "financial liabilities whose fair value differences are reflected to the profit/loss" or other financial liabilities,

a) Financial Liabilities Whose Fair Value Differences Are Reflected to the Profit/Loss

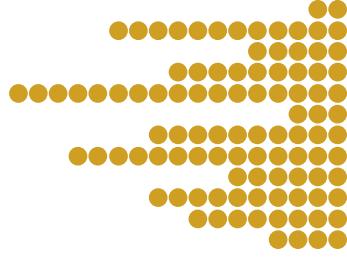
"Financial liabilities whose fair value differences are reflected to the profit/loss" are recorded at fair value and are re-evaluated at the end of each statement of financial position date. Changes in fair value are recognized in the statement of profit or loss. Recognized net earnings and/or losses in the statement of profit or loss also include interest payments made for this financial liability.

b) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

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

The prevailing interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The prevailing interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### III. Derivative Financial Instruments

Derivative financial instruments are initially recorded with their fair value and evaluated with fair value in next periods. The hedging agreements made by the Group in the current period, which contains the required risk accounting conditions in scope of TMS 39 are accounted for as derivative financial assets held for cash flow hedges, whereas although providing an efficient protection against the risks that the Group may be exposed to, hedging agreements which do not bear the required risk accounting conditions are classified as held for trading derivative financial instruments. Profit or loss arising from the changes at the fair values of held for trading derivative financial instruments which do not comprise a financial risk protection relation are reflected to the statement of profit or loss. Profit or loss arising from the hedged item and which is related to the protected risk is reflected to the book value of the hedged item and is accounted for in the statement of profit or loss. The mentioned policy is applied even though the hedged item was measured at cost.

#### **2.09.10 Effects of Currency Fluctuations**

All transactions, denominated in foreign currencies, are converted into TL by the exchange rate ruling at the transaction date. All foreign currency denominated monetary assets and liabilities stated at the statement of financial position are converted into TL by the exchange rate ruling at the statement of financial position date. Foreign exchange gains and/or losses as a result of the conversions are recorded in the statement of profit or loss.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings,
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies),
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

#### **2.09.11 Earnings per Share**

Earnings per share in the income statement are calculated by dividing net income by the weighted average number of common shares outstanding for the period.

In Turkey, companies are allowed to increase their share capital by distributing "bonus shares" from retained earnings. These bonus shares are deemed as issued shares while calculating the net earnings per share.

Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### 2.09.12 Subsequent Events

Subsequent events cover all events that occur between the statement of financial position date and the publication date of the financial statements. If there is a substantial evidence that the subsequent events existed or arose after the statement of financial position date, these events are disclosed and explained in the notes to the financial statements.

The Company adjusts its financial statements if the above-explained subsequent events require any adjustments.

### 2.09.13 Provisions, Contingent Liabilities & Assets

A provision is set-forth in the financial statements, if a legal liability exists as a result of past events as if the cash out-flow is probable for the reversal of provision and the liability amount can be estimated reliably. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash out-flow is probable, provision is set forth in the financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

The Group discloses the contingent liabilities in notes to the financial statements if the contingent liability is possible but the outflow of resources is not predicted.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group discloses the contingent assets in notes to the financial statements if the inflow of economic benefits is probable.

When portion or full amount of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.09.14 Related Party Disclosures

The partners' of the Group, Group's management personnel, Group companies and its directors, close family members in the charge of the Group, and other companies directly or indirectly controlled by the Group are considered related parties. The transactions done with the related parties due to ordinary operations are occurred in accordance with the market conditions. (**Note 37**)

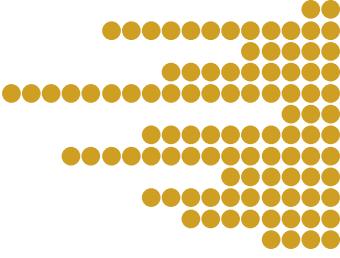
### 2.09.15 Government Grants and Assistance

The government grants and research and development incentives are accounted according to accrual basis with their fair values when the authorities approve the Group's submission for these incentives.

### 2.09.16 Taxation and Deferred Tax

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### Current tax

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

### Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income to the statement of profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in the equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

Taxes stated in financial statements contain changes in current and deferred taxes for the period. The Group calculates current period tax and deferred tax over the period results.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**Offsetting Tax Income and Liabilities**

Corporate tax amounts are offset with prepaid corporate tax as they are related. Deferred tax assets and liabilities are also offset.

**2.09.17 Retirement Pay**

According to Turkish Labor Law, employee termination benefit is reflected in the financial statements, when the termination indemnities are deserved. Such payments are considered as being part of defined retirement benefit plan as per IAS No.19 "Employee Benefits".

Termination indemnity liability is reflected to the financial statements with the amount calculated for value at statement of financial position date of lump pension in the next years by discounting by adequate interest rate. Interest cost added to the lump pension expense is shown as termination indemnity expense in the results of operations.

**2.09.18 Cash Flow Statement**

Cash and cash equivalents are stated at their fair values in the statement of financial position. The cash and cash equivalents comprises cash in hand, bank deposits and highly liquid investments. On cash flow statement, the Group classifies period's cash flows as investment, financing activities and operational activities.

The cash flows from operational activities show the cash flows generated from the main operations of the Group. The cash flows from investing activities show the cash inflows and outflows generated from/used fixed assets and financial assets investments.

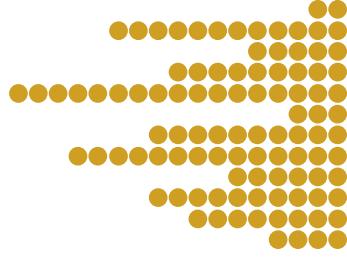
Cash flow concerned with financial activities represents sources used from financial activities and pay-back of these funds.

**2.09.19 Investment Property**

Investment properties, which are held to earn rentals and/or for capital appreciation is carried at their cost less the accumulated depreciation and any impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property.

Investment properties are taken out of the statement of financial position when either they are sold or no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal. No assets held under the operating lease have been classified as investment properties.

Investment Properties are reviewed for any impairment and if the carrying amount of these investment properties exceeds the recoverable amount as a result of these reviews, the carrying amount is reduced to recoverable amount through making provision. The recoverable amount is the higher of the net cash flows derived from the current usage of the related investment property and net sales price.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Group's investment property is presented at their fair value in the financial statements. Therefore, investment property is not subject to depreciation. The fair values of the real estate's were determined according to the results of the appraisal reports signed by a licensed Real Estate Appraisal Company in line with the regulations of the CMB Communiqué Serial VIII No: 35 "Communiqué On Principles Regarding Appraisal Companies And Their Listings By The Board" (**Note 17**)

### 2.10 Capital and Dividends

The ordinary shares are classified as equity. The dividends paid to ordinary shares deducted from accumulated profits during the period they are declared.

### 2.11 Foreign Currency Transactions

#### *Functional Currency*

The functional currency is defined as the currency in which the Group carries out important part of the activities and financial statement items of every group company are measured at the functional currency of the mentioned company. The accompanying consolidated financial statements are presented with the functional currency of Sarkuysan A.Ş. which is TL.

#### *Group Companies Abroad, Foreign Currency Transactions and Balances*

The financial statements of subsidiaries operating in foreign countries are prepared in accordance with the laws and legislations that are valid for the countries where the transactions are operated. The financial statements are arranged by the reflections of necessary adjustments and classifications in order to provide the correct presentation in accordance with the Financial Reporting Standards of Capital Market Board. The financial results of group companies which prepare their financial statements with a currency other than TL are converted to TL using the average foreign exchange rates of the related period. The difference arising from the conversion of assets and liabilities using the statement of financial position date foreign exchange rates and the conversion of statement of profit or loss using the average rates are presented in the consolidated financial statements under equity and are made subject to total comprehensive income.

The financial statements of Group's subsidiaries operating in The United States of America are converted from foreign currency into TL as of December 31, 2014 and December 31, 2013 the foreign currencies and TL equivalents are as follows:

#### Period-End

December 31, 2014	2,3189
December 31, 2013	2,1343

As of December 31, 2014 and December 31, 2013 the foreign average currencies and TL equivalents are as follows:

#### Average Rate

January 1, 2014 - December 31, 2014	2,1879
January 1, 2013 - December 31, 2013	1,8612

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### 2.12 Going Concern Concept

The consolidated financial statements of the Group are prepared with respect to going concern concept.

### 2.13 New and Revised International Financial Reporting Standards

#### i) Summary of the new standards, amendments, interpretations and resolutions which are effective as at January 1, 2014:

**TFRS 10, 11, TAS 27 (Amendment):** "Consolidated financial statements": 'exceptions for the consolidation of subsidiaries' and these amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss and classify as financial assets. The amendments give an exception to entities that meet an 'investment entity' definition.

**TAS 32 "Financial Instruments: Presentation" (Amendment):** The amendment updates the application guidance in TAS 32, to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

**TAS 36 "Impairment of Assets" (Amendment):** This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

**TAS 39 "Financial Instruments: Recognition and Measurement" (Amendment):** This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

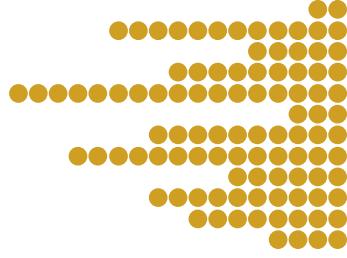
**TFRIC Interpretation 21 "Legal Fees and Taxes":** The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached.

The amendments and interpretations had no significant impact on the financial statements of the Group in the current period.

#### ii) The new standard, Amendments and interpretations that are not effective or an early adoption is not used by the Group as of December 31, 2014 are as follows:

**TFRS 9 "Financial Instruments: Classification and Explanation":** TFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value of a fair value option financial liability attributable to credit risk is presented under other comprehensive income. The date of mandatory application of the amendments are deferred at January 1, 2018. Early adoption is permitted. (These amendments are not published as yet, by POA)

**TAS 19 "Defined Benefit Plans: Employee Contributions" (Amendment):** TAS 19 Defined Benefit Plans: Employee Contributions (Amendment) TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after July 1, 2014.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**TAS 16 "Property, Plant and Equipment" and TAS 38 "Intangible Assets" (Amendment):** The amendments have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

**TFRS 11 "Accounting for Acquisition of Interests in Joint Operations" (Amendment):** The amendments clarify whether TFRS 3 Business Combinations applies when an entity acquires an interest in a joint operation that meets that standard's definition of a business. The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

### Annual Improvements to TAS/TFRS

In September 2014, Public Oversight Authority (POA) has issued the below amendments to the standards in relation to "Annual Improvements - 2010–2012 Cycle" and "Annual Improvements - 2011–2013 Cycle. The changes are effective for annual reporting periods beginning on or after July 1, 2014.

#### Annual Improvements 2010-2012 Cycle

**TFRS 2 "Share Based Payment" (Amendment):** Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

**TFRS 3 "Business Combinations" (Amendment):** Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of TFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

**TFRS 8 "Operating Segments" (Amendment):** Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

**TAS 16 "Property, Plant and Equipment" and TAS 38 "Intangible Assets" (Amendment):** Clarifies that revaluation can be performed, Adjust the gross carrying amount of the asset to market value or determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

**TAS 24 "Related Party Disclosures" (Amendment):** The amendment clarifies that a management entity, an entity that provides key management personnel services, is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### Annual Improvements 2011-2013 Cycle

**TFRS 3 "Business Combinations" (Amendment):** The amendment clarifies that Joint arrangements are outside the scope of TFRS 3, not just joint ventures. The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

**TFRS 13 "Basis for Conclusions on Fair Value Measurement":** The portfolio exception in TFRS 13 can be applied not only to financial assets and financial liabilities but also all other contracts in the scope of TAS 39. The amendment is effective prospectively.

**TAS 40 "Investment Property" (Amendment):** The amendment clarifies the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

The Group does not expect that these standards and interpretations will have significant impact on the financial statements of the Group.

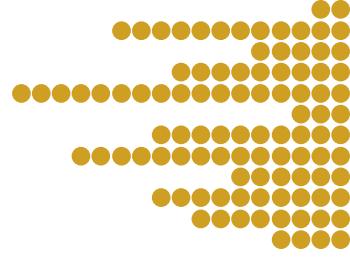
### **iii) Summary of the new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA.**

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the consolidated financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adopted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

**IFRS 14 "Regulatory Deferral Accounts":** The standard permits first time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances. The interim standard is effective for financial reporting periods beginning on or after January 1, 2016, although early adoption is permitted.

**IFRS 15 "Revenue from Contracts with Customers":** In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 is effective for reporting periods beginning on or after January 1, 2017, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required.

**IFRS 10 "Consolidated Financial Statements and IAS 28 "Investor and its Associate or Joint Venture" (Amendment):** The amendments address the conflict between the existing guidance on consolidation and equity accounting. The amendments require the full gain to be recognized when the assets transferred meet the definition of a business. The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Early adoption is permitted.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**IAS 27 "Separate Financial Statements" (Amendment):** The amendment address the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either; at cost, in accordance with IFRS 9 (or IAS 39) or using the equity method the entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after January 1, 2016. The amendments must be applied retrospectively. Early application is permitted.

**IFRS 9 "Financial Instruments" (Final standard):** The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

**IAS 1 "Presentation of Financial Statements" (Amendment):** Those amendments include narrow-focus improvements in the following five areas: Materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies, presentation of items of other comprehensive income arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

### Improvements at IFRS

#### Annual Improvements 2010-2012 Cycle

**IFRS 13 "Fair Value Measurement" (Amendment):** As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

#### Annual Improvements 2012-2014 Cycle

The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

**IFRS 5 "Fixed Assets Held For Sale Purposes And Discontinued Operations" (Amendment)**

**IFRS 7 "Financial Instruments: Explanation" (Amendment)**

**IAS 19 "Employee Benefits" (Amendment)**

**IAS 34 "Interim Financial Reporting" (Amendment)**

Potential impact of the financial statements in future periods of the implementation of the above standards are evaluated.

### **NOTE 3 BUSINESS COMBINATIONS**

None.

### **NOTE 4 BUSINESS PARTNERSHIPS**

None.

## Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

### Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

#### NOTE 5 SEGMENT REPORTING

The group's operating segments based on profit/loss summary as of December 31, 2014 and December 31, 2013 are as follows:

##### December 31, 2014

	Copper	Enamelled Copper Wire	CTC Wire	Roller	Machine	Other	Total	Adjustment of Consolidation and Elimination	January 1, 2014	December 31, 2014
Revenue	3.231.083.679	157.082.808	26.182.930	3.290.165	2.999.610	5.961.613	3.426.600.805	(880.432.198)	2.546.168.607	
Cost of Sales	(3.111.423.191)	(156.736.630)	(21.375.757)	(2.501.210)	(1.677.922)	(2.821.473)	(3.296.536.183)	842.464.488	(2.454.071.695)	
<b>Gross Profit/Loss</b>	<b>119.660.488</b>	<b>346.178</b>	<b>4.807.173</b>	<b>788.955</b>	<b>1.321.688</b>	<b>3.140.140</b>	<b>130.064.622</b>	<b>(37.967.710)</b>	<b>92.096.912</b>	

##### December 31, 2013

	Copper	Enamelled Copper Wire	CTC Wire	Roller	Machine	Other	Total	Adjustment of Consolidation and Elimination	January 1, 2013	December 31, 2013
Revenue	3.096.787.478	148.751.589	26.843.167	2.070.152	1.275.993	8.457.777	3.284.186.156	(872.328.295)	2.411.857.861	
Cost of Sales	(2.917.957.057)	(146.985.026)	(23.231.925)	(1.535.935)	(949.137)	(6.486.578)	(3.097.145.658)	789.486.923	(2.307.658.735)	
<b>Gross Profit/Loss</b>	<b>178.830.421</b>	<b>1.766.563</b>	<b>3.611.242</b>	<b>534.217</b>	<b>326.856</b>	<b>1.971.199</b>	<b>187.040.498</b>	<b>(82.841.372)</b>	<b>104.199.126</b>	

#### NOTE 6 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the periods ended are as follows:

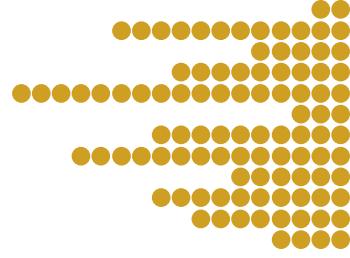
Account Name	December 31, 2014	December 31, 2013
Cash	22.464	15.073
Bank	56.684.299	34.231.127
-Demand Deposits	33.140.405	24.208.263
-Time Deposits	23.543.894	10.022.864
Other	165	330
<b>Total</b>	<b>56.706.928</b>	<b>34.246.530</b>

There is no blocked deposit as of December 31, 2014 and December 31, 2013.

Accrued interest income related to time deposits which are calculated effective interest method is TL 26.051 as of December 31, 2014. (December 31, 2013: TL 22.864)

Cash and cash equivalents presented in the statement of cash flows as of December 31, 2014 and December 31, 2013 is as follows;

Account Name	December 31, 2014	December 31, 2013
Amount Stated in Statement of Financial Position	56.706.928	34.246.530
Accrued Interest Income	(26.051)	(22.864)
Blocked Deposits	-	-
<b>Total</b>	<b>56.680.877</b>	<b>34.223.666</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Maturity analysis of bank deposits is as follows:

<b>Account Name</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Demand Deposits	33.140.405	24.208.263
1-30 days	23.312.009	10.022.864
30-90 days	231.885	-
<b>Total</b>	<b>56.684.299</b>	<b>34.231.127</b>

The effective interest rates of time deposits related to their currencies are as follows:

<b>Currency</b>	<b>December 31, 2014</b>		<b>December 31, 2013</b>	
	<b>Amount</b>	<b>Interest rate</b>	<b>Amount</b>	<b>Interest rate</b>
TL	20.788.003	7,79%-11,62%	10.022.864	6,71%-9,74%
USD	1.994.302	0,15%-1,87%	-	-
EURO	761.589	0,05%	-	-
<b>Total</b>	<b>23.543.894</b>		<b>10.022.864</b>	

**NOTE 7 FINANCIAL INVESTMENTS**

**I) Short Term Financial Investments**

None.

**II) Long Term Financial Investments**

The Group's financial investments consist of investments which are classified as Financial Assets available for sale for the period by December 31, 2014 and December 31, 2013 are as follows.

**December 31, 2014**

<b>Company Name</b>	<b>Share Percentage</b>	<b>Provision for Decrease in Value</b>	<b>Net Value</b>
Karadeniz Bakır İşletmeleri A.Ş.	-	-	7
Rabak A.Ş.	-	-	1
Kamaş Kuyumcukent Alış Veriș Merkezi	-	-	531
Kamaş Kuyumcukent İşletme A.Ş.	-	-	10.555
Kuyaş Kuyumculuk Gayrimenkul Yatırım Ort.	-	-	703
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11.797</b>

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**December 31, 2013**

<b>Company Name</b>	<b>Share Percentage</b>	<b>Provision for Decrease in Value</b>	<b>Net Value</b>
Karadeniz Bakır İşletmeleri A.Ş.	-	-	7
Rabak A.Ş.	-	-	1
Kamaş Kuyumcukent Alış Veriş Merkezi	-	-	531
Kamaş Kuyumcukent İşletme A.Ş.	-	-	10.555
Kuyaş Kuyumculuk Gayrimenkul Yatırım Ort.	-	-	703
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11.797</b>

Available for sale financial assets consist of financial assets which are not publicly traded. Groups' share in capital of long-term securities is under 1%.

Movement of Long-Term Securities is as follows:

<b>Long-Term Securities</b>	<b>January 1, 2013</b>	<b>January 1, 2012</b>
	<b>December 31, 2013</b>	<b>December 31, 2012</b>
Opening Balance	11.797	11.797
Additions	-	-
Disposals (-)	-	-
<b>Closing Balance</b>	<b>11.797</b>	<b>11.797</b>

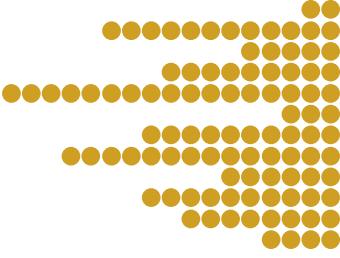
When the fair values of Available for Sale Financial Assets cannot be measured reliably due to the conditions that these assets are either not traded in an active market or other methods which are used for fair value calculation are not applicable, the recorded value of these assets are the acquisition costs less the impairments.

**NOTE 8 FINANCIAL LIABILITIES**

Short-Term financial liabilities for the periods ended are as follows:

<b>Account Name</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Bank Loans	430.900.851	430.956.820
Lease Obligations	-	1.005.950
Deferred Leasing Costs (-)	-	(35.213)
<b>Total</b>	<b>430.900.851</b>	<b>431.927.557</b>

Bank loans are reflected in accompanying financial statements with their amortized cost amounts. The provision for credit interest calculated by effective interest method is TL 4.020.085 as of December 31, 2014. (December 31, 2013: TL 3.633.611).



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Long-Term financial liabilities for the years ended are as follows:

Account Name	December 31, 2014	December 31, 2013
Bank Loans	24.437.259	26.322.986
<b>Total</b>	<b>24.437.259</b>	<b>26.322.986</b>

a) The maturities of bank loans are as follows:

Loans	December 31, 2014	December 31, 2013
0-3 months	180.623.277	199.762.636
3-12 months	250.277.574	231.194.184
12-36 months	24.437.259	26.322.986
<b>Total</b>	<b>455.338.110</b>	<b>457.279.806</b>

Finance Lease Payables	December 31, 2014	December 31, 2013
0-3 months	-	376.774
3-12 months	-	629.176
12-36 months	-	-
<b>Total</b>	<b>-</b>	<b>1.005.950</b>

b) Effective interest rates of financial liabilities are as follows:

December 31, 2014

Loans

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
TL Loans		174.633.675	5,99%-14,72%
USD Loans	59.522.360	151.244.119	1,07%-3,84%
EURO Loans	27.038.179	90.382.922	1,24%-3,59%
GBP Loans	4.071.115	14.640.135	3,14%
<b>Total (Short-Term)</b>		<b>430.900.851</b>	

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
TL Loans		24.437.259	11,73%-13,44%
<b>Total (Long-Term)</b>		<b>24.437.259</b>	

Finance Lease Payables

None.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**December 31, 2013**

Loans

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
TL Loans	-	143.552.478	5%-20%
USD Loans	83.915.325	179.100.479	1,52%-4%
EURO Loans	30.804.077	90.456.174	1,39%-3,00%
GBP Loans	5.082.784	17.847.689	2,94%
<b>Total (Short-Term)</b>		<b>430.956.820</b>	

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
TL Loans	-	962.013	5,00%
USD Loans	5.000.000	10.671.500	3,06%
EURO Loans	5.002.375	14.689.473	3,48%
GBP Loans	-	-	-
<b>Total (Long-Term)</b>		<b>26.322.986</b>	

Finance Lease Payables

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
EURO Payables	330.576	970.737	6%-10%
<b>Total</b>		<b>970.737</b>	

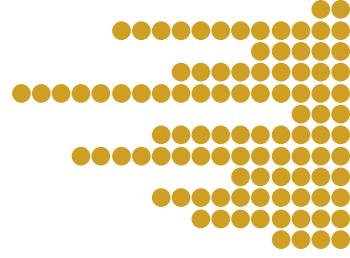
**NOTE 9 OTHER FINANCIAL LIABILITIES**

None.

**NOTE 10 TRADE RECEIVABLES AND PAYABLES**

The details of the Short-Term Trade Receivables are as follows:

Account Name	December 31, 2014	December 31, 2013
Trade Receivables	311.662.435	339.228.762
- Trade Receivables from Related Parties ( <b>Note: 37</b> )	1.165.439	1.148.492
- Doubtful Receivables from Related Parties	-	79.606
- Provision For Doubtful Receivables from Related Parties	-	(79.606)
- Other	310.496.996	338.080.270
Notes Receivables	50.978.049	103.293.482
Discount on Notes Receivables (-)	(2.056.966)	(2.594.592)
Doubtful Receivables	10.323.255	10.032.082
Provision for Doubtful Receivables (-)	(10.323.255)	(10.032.082)
<b>Total</b>	<b>360.583.518</b>	<b>439.927.652</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

When deciding upon the possibility of collection of the receivables, the Group reviews any change in the creditability of mentioned receivables starting from recording date of the receivable until the statement of financial position date. There is not an important credit risk concentration due to the fact that the credit risk is distributed between many different customers the Group does business with.

The weighted term of receivables are 57 days (December 31, 2013: 65 days). 90% of the receivables related with sales to domestic and abroad is guaranteed by Exim Bank. There are guarantee letters, guarantee notes and guarantee checks which are related to domestic sales are disclosed in **Note 22** and the level of risks on trade receivables are disclosed in **Note 38**.

The provisions are reflected to the financial statements related to all of the receivables for which there are objective evidences concluding that they are no longer collectible. The provision amount for the current period is TL 1.595.248 (**Note: 31**) (December 31, 2013: TL 2.728.037)

Receivables are recognized by amortized cost amounts. The discount rates are 8,5% for TL receivables,

0,62880% for USD receivables, 0,29357% for Euro receivables and 0,97556% for GBP receivables. (December 31, 2013: TL: 10%, Euro: 0,51886%, USD: 0,58310%, GBP: 0,91125%)

Doubtful Receivables are as follows:

<b>Account Name</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Opening Balance	(10.111.688)	(7.390.010)
Provisions no Longer Required	378.380	586.104
Exchange Rate	106.287	(579.745)
Period Expense	(696.234)	(2.728.037)
<b>Closing Balance</b>	<b>(10.323.255)</b>	<b>(10.111.688)</b>

The group has no Long-term Trade Receivables.

Short-Term Trade payables for the period ended are as follows:

<b>Account Name</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Trade Payables	36.253.783	61.887.104
Notes Payables (*)	639.453	699.596
Rediscount on Notes Payable (-)	(215.879)	(768.131)
Expense Accruals (**)	815.508	2.126.410
Other Trade Payables	40.802	63.655
<b>Total</b>	<b>37.533.667</b>	<b>64.008.634</b>

(\*) Group's all Note Payable Balance as of December 31, 2014 and December 31, 2013 are consist of other Note Payable.

(\*\*) Accrued expenses is consist of TL 284.279 from provision of sale of foreign exchange for commission and the remaining portion of TL 531.229 from other accrued expenses. Previous period, accrued expenses is consist of TL 615.327 from provision of sale of foreign exchange for commission, TL 1.067.150 from provision futures option premium and TL 443.933 other accrued expenses.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Payables are recognized by amortized cost amounts. The discount rates are 8,5% for TL receivables and 0,62880% for USD receivables. (December 31, 2013: TL: 10%, USD: 0,58310%)

Average maturity of purchasing of the Group from its suppliers is 7 days. (December 31, 2013: 16 days)

The Group has no Long-term Trade Payables.

**NOTE 11 OTHER RECEIVABLES AND PAYABLES**

Other Short-term Receivables for the period ended are as follows:

Account Name	December 31, 2014	December 31, 2013
Deposits and Guarantees Given	33.834	39.345
Receivables from Tax Administration (*)	36.921.617	38.567.736
Receivables from Personnel	113.955	109.868
Other	126.775	74.923
Non-trade Receivables From Related Parties	-	-
<b>Total</b>	<b>37.196.181</b>	<b>38.791.872</b>

(\*) Receivables from Tax Administration is TL 36.921.617 (December 31, 2013: TL 38.567.736) consist of VAT returns. The Group collects all of its VAT returns by the reports of SCPAs.

Other Long-Term Receivables for the period ended are as follows:

Account Name	December 31, 2014	December 31, 2013
Deposits and Guarantees Given	92.938	995.528
<b>Total</b>	<b>92.938</b>	<b>995.528</b>

Other Short-term Payables for the periods ended are as follows:

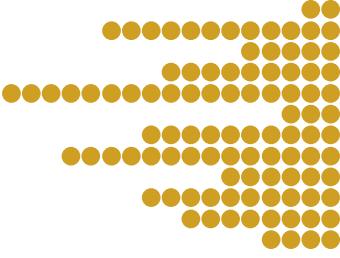
Account Name	December 31, 2014	December 31, 2013
Other Payables	1.485.809	1.299.971
- Non-trade Payables to Related Parties	-	81.650
- Other	1.485.809	1.218.321
Deposits and Guarantees Taken	13.004	12.139
Taxes and Funds Payable	1.550.385	2.012.958
Social Security Institution Payable	1.070.659	1.422.102
<b>Total</b>	<b>4.119.857</b>	<b>4.747.170</b>

The Group has no other Long-term Payables.

**NOTE 12 PAYABLES RELATED TO EMPLOYEE BENEFITS**

Payables Related to Employee Benefits for the periods ended are as follows:

Account Name	December 31, 2014	December 31, 2013
Due to Personnel	197.357	243.469
<b>Total</b>	<b>197.357</b>	<b>243.469</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 13 INVENTORIES**

Inventory balances for periods ended are as follows:

<b>Account Name</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Raw Materials	34.044.460	32.269.954
Semi-finished Goods	10.811.497	1.225.622
Finished Goods	124.567.321	118.695.632
Commercial Goods	-	1.018.433
Other Inventories	3.195.701	16.965.163
Provisions for Impairment of Inventories (-)	(4.048.308)	(59.143)
<b>Total</b>	<b>168.570.671</b>	<b>170.115.661</b>

The raw materials acquired by the Group consist of assets which are used in operating cycle of production and sold afterwards. The insurance coverage of assets is disclosed in the **Note: 22**. There are no inventories which are pledged as collateral. In the current or previous periods there is not any financial expenses over inventories cost.

A significant portion of the Group's inventories are stock with metal content of copper etc. and prices are consist of London Metal Exchange (LME) such international markets. In accordance with stocks of the London Metal Exchange (LME) based on the selling prices, group Management have made an assessment and costs amounting to TL 4.048.308 made provision for impairment of inventories is higher than the selling price.

Movement of Provision for Decrease in Value of Inventories;

	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Opening Balance	(59.143)	(60.876)
Provision for the Current Period (-)	(4.048.308)	-
Provisions no longer required	59.143	1.733
<b>Total</b>	<b>(4.048.308)</b>	<b>(59.143)</b>

**NOTE 14 DERIVATIVE INSTRUMENTS**

The Group enters into transactions with derivative instruments including forwards, swaps and options in the foreign exchange and capital markets. Most of these derivative transactions are considered as effective economic hedges under the Group's risk management policies; however since they do not qualify for hedge accounting under the specific provisions of IAS 39, they are treated as derivatives held for trading. Derivative financial instruments are initially recognized at fair value on the date at which a derivative contract is entered into and subsequently re-measured at fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, to the extent publicly available, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss realized from the increase or decrease in the fair value of the derivative instruments which do not meet the conditions for hedge accounting is recognized in profit or loss.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**Derivative Contracts:**

The Group has made derivative contracts in order to area of activity. Derivative financial instruments are a financial contract between two parties and its payments changes in a specified interest rate, commodity price, foreign Exchange rate, index of rates. Derivative Financial Instruments contains foreign currency forward and selling, swap and options contracts.

**December 31, 2014**

As of December 31, 2014 the Group has foreign currency swap options with maturities, for which a total of USD 26.666.522 and TL 39.382.000 is hedged with EURO 13.250.000, USD 18.000.00, TL 17.252.000 and GBP 1.020.000 against selling the Group has assets that amounts TL 1.184.502 in accordance with these contracts.

As of December 31, 2014 the Group has stock swap options with maturities, for which is hedged with USD 1.442.790 sold. As of December 31, 2014, Group has liabilities that amounts TL 180.387 in accordance with these contracts.

**December 31, 2013**

As of December 31, 2013 the Group has foreign currency swap options with maturities, for which a total of USD 104.895.833, EURO 3.760.000 and TL 67.957.600 is hedged with EURO 65.660.000, USD 36.599.296, TL 12.600.000 and GBP 5.880.000 against selling the Group has liabilities that amounts TL 1.293.482 in accordance with these contracts.

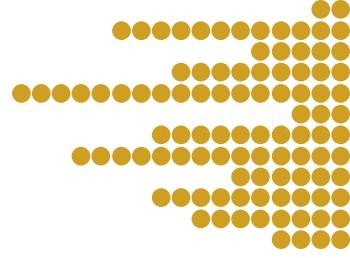
As of December 31, 2013 the Group has stock swap options with maturities, for which is hedged with USD 3.980.850 sold. As of December 31, 2013, Group has assets that amounts TL 183.816 in accordance with these contracts.

The assets and liabilities in relation to derivative financial instrument are as follows:

	December 31, 2014		December 31, 2013	
	Asset	Liability	Asset	Liability
Forward Contracts	1.184.502	-	-	1.293.482
Commodity Swaps as Hedge Instruments	-	180.387	183.816	-
Forward Contracts	<b>1.184.502</b>	<b>180.387</b>	<b>183.816</b>	<b>1.293.482</b>

**NOTE 15 CONSTRUCTION CONTRACTS IN PROGRESS**

None.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.  
**Notes to the Consolidated Financial Statements  
as of December 31, 2014**  
(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 16 INVESTMENTS EVALUATED BY EQUITY METHOD**

December 31, 2014

Corporation Name	Participation Ratio	Provision for Impairment	December 31, 2014 Net Value in Statement of Financial Position
Demisaş	44,44	-	32.804.604
<b>Total</b>		-	<b>32.804.604</b>

December 31, 2013

Corporation Name	Participation Ratio	Provision for Impairment	December 31, 2013 Net Value in Statement of Financial Position
Demisaş	44,44	-	30.352.459
<b>Total</b>		-	<b>30.352.459</b>

Fair Value Movement Schedule of investments evaluated by Equity Method is as follow:

	January 1, 2014 December 31, 2014	January 1, 2013 December 31, 2013
Opening Balance - January 1	30.352.459	29.847.342
Share from Current Period Profit	1.961.978	277.443
Share from Other Comprehensive Income	490.167	227.674
<b>Closing Balance -as of December 31</b>	<b>32.804.604</b>	<b>30.352.459</b>

The summaries of financial information's about investments which are recognized with "Equity Method" are as follows;

	December 31, 2014	December 31, 2013
Total Assets	158.060.104	144.039.993
Shareholders' Equity	73.817.736	70.152.358
Net Sales	177.537.311	152.273.596

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 17 INVESTMENT PROPERTIES**

Group classified the assets which are held for rent income or capital appreciation or both, instead of being used in production of goods or rendering of services or administrative purposes or sold in the ordinary course of business, as investment properties.

The Group measures the investment properties at fair value in the financial statements. There are no borrowing costs allocated to investment properties in scope of TAS 23. Investment property is presented at fair values as of December 31, 2014 and December 31, 2013 is as follows.

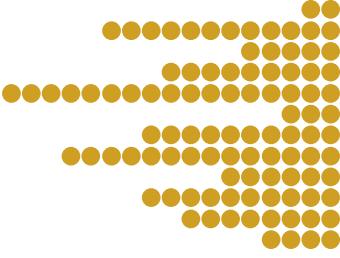
**December 31, 2014**

Asset Value	Opening Balance	Fair Value Difference	Transfer (PPE)	Additions	Disposals (-)	Closing Balance
	January 1, 2014					December 31, 2014
<b>Land and Properties</b>	<b>15.245.000</b>	<b>3.475.000</b>	-	-	-	<b>18.720.000</b>
Lands	15.245.000	3.475.000	-	-	-	18.720.000
<b>Buildings</b>	<b>14.072.755</b>	<b>2.615.893</b>	<b>24.107</b>	-	-	<b>16.712.755</b>
Gebze Warehouse	6.050.000	445.000	-	-	-	6.495.000
Pendik Plants	7.985.000	330.000	-	-	-	8.315.000
Perpa Trade Center						
Office	-	1.840.893	24.107			1.865.000
Gebze	37.755	-	-	-	-	37.755
<b>Total</b>	<b>29.317.755</b>	<b>6.090.893</b>	<b>24.107</b>	-	-	<b>35.432.755</b>

**December 31, 2013**

Asset Value	Opening Balance	Fair Value Difference	Transfer (PPE)	Additions	Disposals (-)	Closing Balance
	January 1, 2013					December 31, 2013
<b>Land and Properties</b>	<b>9.855.000</b>	<b>5.390.000</b>	-	-	-	<b>15.245.000</b>
Lands	9.855.000	5.390.000	-	-	-	15.245.000
<b>Buildings</b>	<b>56.965.000</b>	<b>1.570.000</b>	<b>8.955</b>	<b>28.800</b>	<b>(44.500.000)</b>	<b>14.072.755</b>
Sarkuysan Ak Trade Center (*)	44.500.000	-		-	(44.500.000)	-
Gebze Warehouse	5.145.000	905.000	-	-	-	6.050.000
Pendik Plants	7.320.000	665.000	-	-	-	7.985.000
Gebze	-	-	8.955	28.800	-	37.755
<b>Total</b>	<b>66.820.000</b>	<b>6.960.000</b>	<b>8.955</b>	<b>28.800</b>	<b>(44.500.000)</b>	<b>29.317.755</b>

Results of offers related to sales of sections of SARKUYSAN- AK İş Merkezi owned by the Group in Istanbul, Üsküdar district, Altunizade Quarter, Kısıklı Street, located in Bağlarbaşı, it had been sold to the highest proposer AK İnşaat Mermercilik ve Gayrimenkul Yatırım Ticaret A.Ş in cash and in advance TL 44.500.000. Real estate classified as investment property of the Group for the previous year's recognized under revaluation reserve in equity group revaluation reserve amounting to TL 26.226.346 Investment Property IFRS 40 standards required by the provisions of section 62 during the previous year's profits associated with sales.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

<b>Transfer to Retained Earnings</b>	26.226.346
Effect of Tax (-)	(1.311.316)
<b>Net</b>	<b>24.915.030</b>

The details of Cost of Investment Properties which are reflected to Financial Statements with their fair values are as follows,

**December 31, 2014**

TYPE	Fair Value	Appreciation	Increase in Value Reflected to Equity				Net Difference Reflected to Equity		Value Increase Fund Reflected to Statement of Profit or Loss
			Deferred Tax Effect	Previous Period	Current Period	Previous Period	Current Period	Previous Period	
Buildings	20.585.000	17.976.659	8.330.849	416.544	6.165.457	1.748.848	1.570.000	3.475.000	
Lands	14.847.755	13.117.950	5.212.345	260.617	4.951.728	-	5.390.000	775.000	
<b>Total</b>	<b>35.432.755</b>	<b>31.094.609</b>	<b>13.543.194</b>	<b>677.161</b>	<b>11.117.185</b>	<b>1.748.848</b>	<b>6.960.000</b>	<b>4.250.000</b>	

Fair value difference amounting to TL 4.250.000 which was reflected to statement of profit or loss  
(December 31,2013: TL 6.960.000)

The fair market value of lands and buildings which are amongst the investment property are based on the expertise report written on November - December 2014 by Elit Gayrimenkul Değerleme A.Ş. Sarkuysan Ak Trade Center which was presented under investment property, were sold on February 2, 2013.

**December 31, 2013**

TYPE	Fair Value	Appreciation	Increase in Value Reflected to Equity				Net Difference Reflected to Equity		Value Increase Fund Reflected to Statement of Profit or Loss
			Deferred Tax Effect	Previous Period	Current Period	Previous Period	Current Period	Previous Period	
Buildings	14.072.755	12.660.766	6.489.956	324.499	6.165.457	-	6.515.000	1.570.000	
Lands	15.245.000	12.342.950	5.212.345	260.617	4.951.728	-	260.000	5.390.000	
<b>Total</b>	<b>29.317.755</b>	<b>25.003.716</b>	<b>11.702.301</b>	<b>585.116</b>	<b>11.117.185</b>	<b>-</b>	<b>6.775.000</b>	<b>6.960.000</b>	

The fair market value of lands and buildings which are amongst the investment property are based on the expertise report written on February 7, 10 and 11, 2014 by Elit Gayrimenkul Değerleme A.Ş. Sarkuysan Ak Trade Center which was presented under investment property, were sold on February 2, 2013.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

The Investment Property of Group as of December 31, 2014 and December 31, 2013 are listed as follow:

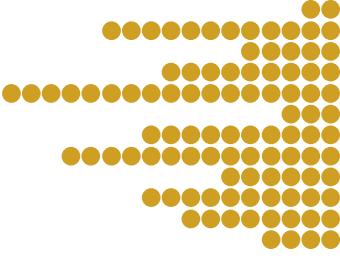
**December 31, 2014**

City	Providence	Village	Deed (m <sup>2</sup> )	Receiving Date
Kocaeli (a)	Gebze	Sirasögütler	8.198,54	30.06.2000
İstanbul (b)	Pendik	Ortamahalle	5.833,04	10.06.1990
Kocaeli (c)	Darica	Darica 2	16.111	15.03.2004
Kocaeli (d)	Darica	Darica 2	4.248	06.08.2004
Kocaeli (d)	Darica	Darica 2	1.515	31.08.2009
Kocaeli (e)	Darica	Tepecik Village	7.050	28.07.1998
Kocaeli (e)	Darica	Tepecik Village	14.800	28.07.1998
Kocaeli (f)	Gebze	Duraklı Village	23.888	09.07.1997
Kocaeli (f)	Gebze	Duraklı Village	7.360	09.07.1997
Kocaeli (f)	Gebze	Duraklı Village	8.620	09.07.1997
Kocaeli (g)	Darica	Darica Street	39	05.04.2013
İstanbul (h)	Şişli	Halil Rıfat Paşa Street	492	26.11.1997 and 25.08.2000

**December 31, 2013**

City	Providence	Village	Deed (m <sup>2</sup> )	Receiving Date
Kocaeli (a)	Gebze	Sirasögütler	8.198,54	30.06.2000
İstanbul (b)	Pendik	Ortamahalle	5.833,04	10.06.1990
Kocaeli (c)	Darica	Darica 2	16.111	15.03.2004
Kocaeli (d)	Darica	Darica 2	4.248	06.08.2004
Kocaeli (d)	Darica	Darica 2	1.515	31.08.2009
Kocaeli (e)	Darica	Tepecik Village	7.050	28.07.1998
Kocaeli (e)	Darica	Tepecik Village	14.800	28.07.1998
Kocaeli (f)	Gebze	Duraklı Village	23.888	09.07.1997
Kocaeli (f)	Gebze	Duraklı Village	7.360	09.07.1997
Kocaeli (f)	Gebze	Duraklı Village	8.620	09.07.1997
Kocaeli (g)	Darica	Darica Street	39	05.04.2013

**a) Lands:** As of the report date, there is an easement right of TEDAŞ for the part of 1.980 m<sup>2</sup> of the land and factory building which is parcel of land numbered 14, placed in 5739 block in İstasyon Street, Gebze - Kocaeli with an area of 8.198,54 m<sup>2</sup>. During the investigation of the Gebze Municipality's Development Directorate information, the facility is located of parcel that part of trading area and part of road zone (243 m<sup>2</sup>) which is affirmed that applied construction plan placed on D100 road Gebze,1/1000 plot affirmation dated May 16, 2013. Part of Road zone is assumed that must be ceded on the project stage. During the investigation of the valuation, 7.955,54 m<sup>2</sup> which is taken into consideration after ceded net surface area. The evaluation has made numbered report 2014/7223 and dated December 1, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with cost value method value of immovable is TL 6.495.000.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

- b)** As of the report date, there is no mortgage, levy or annotation on the facilities placed in Ortamahalle District, Cemal Gürsel Street, No: 1, Pendik - İstanbul. (8627 block, 3 and 4 parcels). The area of the Facilities is 5.833,04 m<sup>2</sup> and the 811,50 m<sup>2</sup> of the facilities is owned by İstanbul Municipality. During the investigation of the Pendik directorate of land registry information, there is not changes in property right for parcel of land numbered 4 at least 3 years. The share of 903/2400, parcel of land numbered 2 was owned by İstanbul Municipality whose property right is taken over by Pendik Municipality. The evaluation has made numbered report 2014/7225 and dated November 28, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method value of immovable is TL 8.315.000.
- c)** As of the report date, there is an easement right of TEK for the part of 240 m<sup>2</sup> of the land which is placed in 30K-3B plot, 1365 block in Darica 2 Village, Darica - Kocaeli with an area of 16.111 m<sup>2</sup>. There is no mortgage, levy or annotation on the land apart from the above mentioned situation. During the investigation of the Darica Municipality's Development directorate information, the immovable's are located of parcel that part of trading area and part of road zone (1580 m<sup>2</sup>) which is affirmed that applied construction plan placed on D100 road Gebze, 1/1000 plot affirmation dated May 16, 2013. Part of Road zone is assumed that must be ceded on the project stage. During the investigation of the valuation, 14.531 m<sup>2</sup> which is taken into consideration after ceded net surface area. The immovable subject to valuation are empty lots as of report date. The evaluation has made numbered report 2014/7227 and dated December 3, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method value of immovable is TL 14.095.000. There is an architectural project dated August 5, 2008 for the facilities which were planned to be constructed on this Land. In regard to this plan there are 2 construction permits numbered 360 and dated December 25, 2008 also 2 renovation permits numbered 23 and dated February 22, 2013. (Construction Area is 13.087 m<sup>2</sup>) the company has started part of basement and warehouse the construction and the immovable's subject to valuation are empty lots as of the report date.
- d)** 1333 island parcel of land numbered 2 with an area of 1.515 m<sup>2</sup> and 1333 island parcel of land numbered 3 with an area of 4.248 m<sup>2</sup> in Darica 2 Village which is converted into 1333 island parcel of land numbered 5 by the Darica Municipality's Committee decision issued at July 10, 2012 with the decree no of 759. As of the report date, there is no mortgage, levy or annotation on the lands. During the investigation of the Darica Municipality's Development directorate information, the immovable's are located of parcel that part of trading area and part of road zone (407 m<sup>2</sup>) which is affirmed that applied construction plan placed on D100 road Gebze, 1/1000 plot affirmation dated May 16, 2013. Part of Road zone is assumed that must be ceded on the project stage. During the investigation of the valuation 5.356 m<sup>2</sup> which is taken into consideration after ceded net surface area. The immovable subject to valuation are empty lots as of the report date. The evaluation has made numbered report 2014/7226 and dated December 1, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method value of immovable is TL 3.320.000.
- e)** As of the report date, there is an enclosure within the borders of forest for the part 117,616 m<sup>2</sup> and 533,211 m<sup>2</sup> of the total 14.800 m<sup>2</sup> of the land which is placed parcel of land numbered 18, A.13.A plot and 7.050 m<sup>2</sup> of the land which is placed parcel of land numbered 17, A.13.A plot in Tepecik Village, Darica Province - Kocaeli City. The part with areas of 14.682,38 m<sup>2</sup> and 6.516,78 m<sup>2</sup> are based on for the determination of fair value. There is no mortgage, levy or annotation on the land apart from the above mentioned situation. The immovable subject to valuation are empty lots as of the report date. During the investigation of the Dilovası's Development directorate information, the immovable's are showed as "part of forest and other agricultural areas" in 1/25.000 scale Darica Municipality's regulatory revised plan which is approved by Committee decision issued at December 16, 2008 with the decree no of 669. Moreover, immovable's are located in "İSKİ Long Distance Protected Area". The evaluation has made numbered report 2014/7228 and dated November 25, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method value of immovable is TL 845.000.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

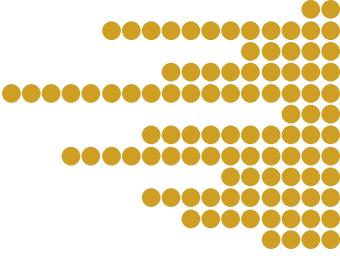
**f)** As of the report date, the Group owns the land which are placed parcel of land numbered 1128, 7 plot with the 23.888 m<sup>2</sup>, placed parcel of land numbered 1135, 7 plot with the 7.360 m<sup>2</sup>, placed parcel of land numbered 1155, 8 plot with the 8.620 m<sup>2</sup>, in Duraklı Village, Gebze Province - Kocaeli City. As of the report date, 3.583,20 m<sup>2</sup> of the land belongs to Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. There is no mortgage, levy or annotation on the land apart. The immovable subject to valuation are empty lots as of the report date. During the investigation of the Gebze Municipality's Development directorate information, the immovable's are showed as "other agricultural areas" in 1/25.000 scale Darıca Municipality's regulatory revised plan which is approved by Committee decision issued at August 18, 2008 with the decree no of 403. Moreover, immovable's are located in "ISKİ Long Distance Protected Area". The evaluation has made numbered report 2014/7229 and dated November 26, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method value of immovable is TL 460.000.

**g)** According to the report which the information has been received from Real Estate Agencies, related to fair value is amounting about TL 40.000 flat that belongs to Subsidiary Bemka A.Ş and its asset with the 39 m<sup>2</sup>, in Darıca Street, Darıca Province - Kocaeli City.

**h)** Group's investment property is consist of independent section in İstanbul city, Şişli province, Halil Rifat Paşa Street, Perpa Trade Center A Block 111 and no.1452 with B Block 978 and no.980.In accordance with deed investigation, in İstanbul Büyükşehir Belediyesi's favour first degree mortgage TL 10.000 (December 03, 1986 and with entry no.392) and in T.E.K's favour rent restriction (dated September 25, 1987 with entry no 3035. During the investigation of the Şişli Municipality's Development directorate information, the immovable's are showed as "Wholesale Trade Area" in 1/1.000 scale Dolapdere/Piyalepaşa avenue and its environment regulatory revised plan is confirmed the place. The evaluation has made numbered report 2014/7230 and dated November 28, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method value of immovable is TL 1.865.000.

The amount of pledges, securities and limitations on Investment Properties is disclosed in **Note. 22**

Insurance amount of Investment Properties are disclosed in **Note. 22**



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 18 TANGIBLE ASSETS**

Tangible assets for the periods ended are as follows:

**December 31, 2014**

Cost	January 1, 2014 Opening Balance	Foreign Currency Translation Differences	Transfers (Investment Properties)	Additions	Disposal (-)	December 31, 2014 Closing Balance
Land	12,425,952	73,412	-	-	-	12,499,364
Land Improvements	2,297,005	-	850,632	-	(84,127)	3,063,510
Buildings	49,027,974	416,814	73,930	(35,279)	5,367	(1,795)
Machinery, Plants and Equipment	325,009,689	1,700,617	6,190,885	-	2,251,734	(3,178,171)
Vehicles	4,695,317	11,718	-	-	252,409	(276,191)
Furniture and Fixtures	8,948,263	9,715	-	-	1,119,511	(368,259)
Other Fixed Assets	12,740,165	-	-	-	490,336	(1,967,637)
Constructions in Progress	11,603,770	-	(7,115,447)	-	19,001,659	(344,557)
Leasehold Improvements	1,608,740	38,023	-	-	23,645	-
Acquired Assets Under Finance Leases	23,958,307	-	-	-	-	23,958,307
Provisions for Impairment of Land (-)	(550,536)	-	-	-	-	(550,536)
Provisions for Impairment of Buildings (-)	(432,564)	-	-	-	-	(432,564)
<b>Total</b>	<b>451,332,082</b>	<b>2,250,299</b>	<b>-</b>	<b>(35,279)</b>	<b>23,144,661</b>	<b>(6,220,737)</b>
						<b>470,471,026</b>

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

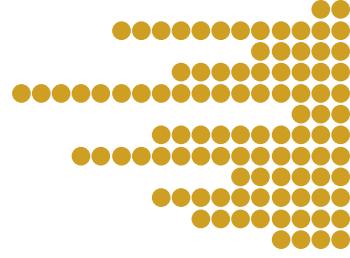
(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Accumulated Depreciation	January 1, 2014 Opening Balance	Foreign Currency Translation Differences	Transfers (Investment Properties)	Period Depreciation	Disposals (-)	December 31, 2014
						Closing Balance
Land Improvements	(1.322.142)	-	-	(95.430)	84.129	(1.333.443)
Buildings	(16.346.772)	(40.761)	11.172	(998.809)	1.367	(17.373.803)
Machinery, Plants and Equipment	(248.492.640)	(647.326)	-	(12.246.460)	3.133.802	(258.252.624)
Vehicles	(4.213.464)	(10.064)	-	(211.481)	239.299	(4.195.710)
Furniture and Fixtures	(7.702.116)	(5.173)	-	(630.991)	365.878	(7.972.402)
Other Fixed Assets	(12.359.875)	-	-	(216.036)	1.967.640	(10.608.271)
Leasehold Improvements	(1.036.339)	(9.174)	-	(141.727)	-	(1.187.240)
Acquired Assets Under Finance Leases	(7.677.630)	-	-	(522.000)	-	(8.199.630)
<b>Total</b>	<b>(299.150.978)</b>	<b>(712.498)</b>	<b>11.172</b>	<b>(15.062.934)</b>	<b>5.792.115</b>	<b>(309.123.123)</b>
<b>Tangible Assets, Net</b>	<b>152.181.104</b>					<b>161.347.903</b>

Acquired Assets Under Finance Leases are all consisting of Machinery, Plants and Equipment.

**December 31, 2013**

Cost	January 1, 2013 Opening Balance	Foreign Currency Translation Differences	Transfers	Additions	Disposals (-)	December 31, 2013
						Closing Balance
Land	12.903.113	247.356	(692.627)	-	(31.890)	12.425.952
Land Improvements	2.297.005	-	-	-	-	2.297.005
Buildings	45.925.963	1.029.157	692.627	1.384.748	(4.521)	49.027.974
Machinery, Plants and Equipment	309.701.171	4.532.805	4.096.485	8.233.406	(1.554.178)	325.009.689
Vehicles	5.230.958	45.384	-	150.362	(731.387)	4.695.317
Furniture and Fixtures	8.882.332	28.443	16.273	555.120	(533.905)	8.948.263
Other Fixed Assets	12.692.806	-	-	118.108	(70.749)	12.740.165
Constructions in Progress	3.793.788	-	(4.122.278)	11.932.260	-	11.603.770
Leasehold Improvements	1.407.585	125.297	-	75.858	-	1.608.740
Acquired Assets Under Finance Leases	24.405.050	-	-	-	(446.743)	23.958.307
Provisions for Impairment of Land (-)	(550.536)	-	-	-	-	(550.536)
Provisions for Impairment of Buildings (-)	(432.564)	-	-	-	-	(432.564)
<b>Total</b>	<b>426.256.671</b>	<b>6.008.442</b>	<b>(9.520)</b>	<b>22.449.862</b>	<b>(3.373.373)</b>	<b>451.332.082</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Accumulated Depreciation	January 1, 2013 pening Balance	Foreign Currency Translation Differences		Period Depreciation	Disposals	December 31, 2013 Closing Balance
Land Improvements	(1.255.066)	-	(67.076)	-	-	(1.322.142)
Buildings	(15.301.372)	(94.343)	(954.319)	3.262	-	(16.346.772)
Machinery, Plants and Equipment	(235.803.961)	(1.546.077)	(12.531.024)	1.388.422	-	(248.492.640)
Vehicles	(4.676.424)	(35.056)	(218.789)	716.805	-	(4.213.464)
Furniture and Fixtures	(7.600.729)	(13.216)	(620.053)	531.882	-	(7.702.116)
Other Fixed Assets	(12.257.768)	-	(172.740)	70.633	-	(12.359.875)
Leasehold Improvements	(882.998)	(22.376)	(130.965)	-	-	(1.036.339)
Acquired Assets Under Finance Leases	(6.668.674)	-	(1.008.956)	-	-	(7.677.630)
<b>Total</b>	<b>(284.446.992)</b>	<b>(1.711.068)</b>	<b>(15.703.922)</b>	<b>2.711.004</b>	<b>-</b>	<b>(299.150.978)</b>
<b>Tangible Assets, Net</b>	<b>141.809.679</b>					<b>152.181.104</b>

The amounts of liens and other restrictions on Tangible assets are disclosed in **Note: 22**.

Insurance amount of Tangible assets are disclosed in **Note. 22**.

Due to fact that Tangibles Assets do not fall under the scope of qualifying assets as described in IAS 23 "Borrowing Costs" the financial expenses related to tangible assets are reflected to the statement of profit or loss and are not capitalized. The Group does not have any tangible assets which are temporarily inoperative.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 19 INTANGIBLE ASSETS**

December 31, 2014

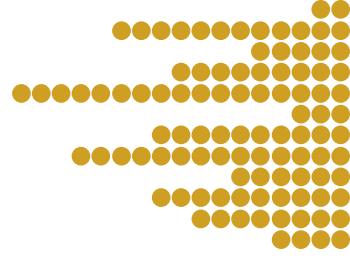
Cost	January 1, 2014 Opening Balance	Foreign Currency Translation Differences	December 31, 2014		
			Additions	Disposals (-)	Closing Balance
Rights	15.143.686	489	13.032	(4.200)	15.153.007
Development Cost	1.617.113	-	491.056	-	2.108.169
Other Intangible Assets	173.338	-	1.862	-	175.200
<b>Total</b>	<b>16.934.137</b>	<b>489</b>	<b>505.950</b>	<b>(4.200)</b>	<b>17.436.376</b>

Accumulated Depreciation	January 1, 2014 Opening Balance	Foreign Currency Translation Differences	Period Amortization	December 31, 2014	
				Disposals	Closing Balance
Rights	(12.379.692)	(414)	(308.348)	4.200	(12.684.254)
Development Cost	(190.686)	-	(217.196)	-	(407.882)
Other Intangible Assets	(169.519)	-	(2.903)	-	(172.422)
<b>Total</b>	<b>(12.739.897)</b>	<b>(414)</b>	<b>(528.447)</b>	<b>4.200</b>	<b>(13.264.558)</b>

<b>Intangible Assets, Net</b>	<b>4.194.240</b>	<b>4.171.818</b>
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Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**December 31, 2013**

Cost	January 1, 2013 Opening Balance	Foreign Currency Translation Differences	December 31, 2013		
			Additions	Disposals (-)	Closing Balance
Rights	15.153.906	1.647	45.927	(57.794)	15.143.686
Development Cost	827.315	-	789.798	-	1.617.113
Other Intangible Assets	172.257	-	1.081	-	173.338
<b>Total</b>	<b>16.153.478</b>	<b>1.647</b>	<b>836.806</b>	<b>(57.794)</b>	<b>16.934.137</b>
Accumulated Depreciation	January 1, 2013 Opening Balance	Foreign Currency Translation Differences	Period Amortization	Disposals	December 31, 2013 Closing Balance
Rights	(12.107.85)	(1.250)	(328.919)	57.562	(12.379.692)
Development Cost	(95.753)	-	(94.933)	-	(190.686)
Other Intangible Assets	(166.969)	-	(2.550)	-	(169.519)
<b>Total</b>	<b>(12.369.807)</b>	<b>(1.250)</b>	<b>(426.402)</b>	<b>57.562</b>	<b>(12.739.897)</b>
<b>Intangible Assets, Net</b>	<b>3.783.671</b>				<b>4.194.240</b>

**NOTE 20 GOODWILL**

None.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 21 GOVERNMENT GRANT AND ASSISTANCE

The Group benefits from incentives in scope of Research and Development Law. (100% Corporate Tax Exemption).

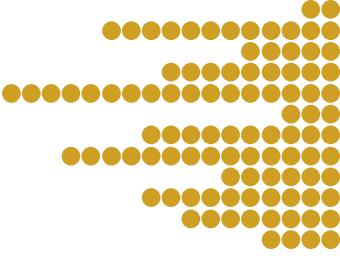
### NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

#### 22.1 Provisions

Account Name	December 31, 2014	December 31, 2013
<b>Provisions for Employee Benefits</b>	<b>5.175.166</b>	<b>689.461</b>
Provision for Premium	2.702.196	-
Provision for Unused Authorization	1.042.008	689.461
Provision for Labor Agreement Salary Increase		
Differences <sup>(*)</sup>	1.430.962	-
<b>Other Short-Term Provisions</b>	<b>820.573</b>	<b>685.470</b>
Provision for Lawsuits	343.310	181.420
Other Provision	477.263	504.050
<b>Total</b>	<b>5.995.739</b>	<b>1.374.931</b>

<sup>(\*)</sup> Provision amount for labor agreement probable salary increase differences in 2014 is consist of disagreement arising from labor agreement between member of employer's union Türkiye Metal Sanayicileri Sendikası MESS and authorized labour union Birleşik Metal-work union.

	Provision for Lawsuit	Provision for Premium	Provision for Labor Agreement Salary Increase Differences	Provision for Unused Authorization	Other	Total
January 1, 2014	181.420	-	-	689.461	504.050	1.374.931
Additional provisions	163.085	2.702.196	1.430.962	1.042.008	477.263	5.815.514
Payments	-	-	-	(689.461)	(504.050)	(1.193.511)
Provisions cancelled	(1.195)	-	-	-	-	(1.195)
<b>December 31, 2014</b>	<b>343.310</b>	<b>2.702.196</b>	<b>1.430.962</b>	<b>1.042.008</b>	<b>477.263</b>	<b>5.995.739</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

	Provision for Lawsuit	Provision for Contract Manufacturing Raw	Provision for Unused Authorization	Provision for Unpaid Loan Bill	Provision for Expense Accruals	Other	Total
January 1, 2013	134.706	101.120	1.092.212	704	680.650	300.973	2.310.365
Additional provisions	46.714	-	689.461	-	-	504.050	1.240.225
Payments	-	(101.120)	(1.092.212)	(704)	(680.650)	(300.973)	(2.175.659)
Provisions cancelled	-	-	-	-	-	-	-
<b>December 31, 2013</b>	<b>181.420</b>	<b>-</b>	<b>689.461</b>	<b>-</b>	<b>-</b>	<b>504.050</b>	<b>1.374.931</b>

There are no Provisions for Long-Term Liabilities for the end of the period.

22.2 Contingent Assets and Liabilities;

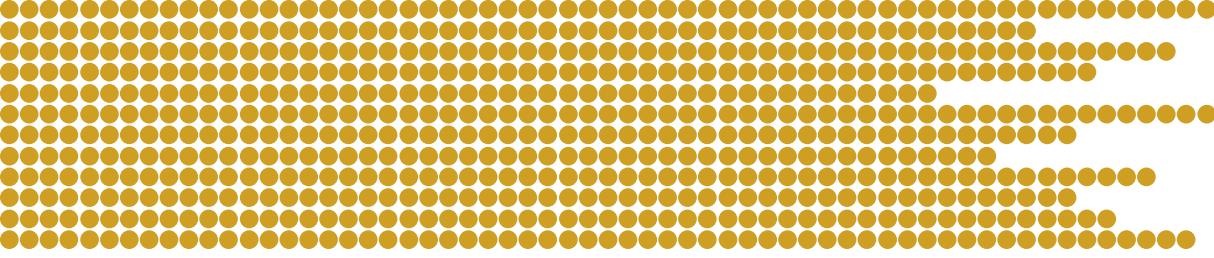
Contingent Events;

December 31, 2014

The Group make provisions for doubtful receivables for the receivables which have not been collected even they were past due as of December 31, 2014, the Group made provision for receivables amount of TL 10.626.823 and in the previous year, provisions for lawsuits amount of TL 343.310 for the lawsuits against the Group.

December 31, 2013

The Group make provisions for doubtful receivables for the receivables which have not been collected even they were past due as of December 31, 2013, the Group made provision for receivables amount of TL 10.407.073 and in the previous year, provisions for lawsuits amount of TL 181,420 for the lawsuits against the Group. (TL 10.324 has been incurred in the previous period from the merger with Bemka)



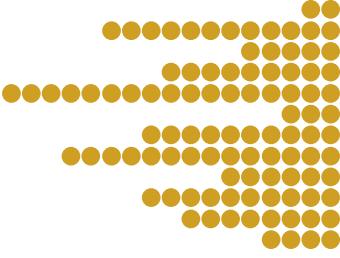
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

# Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### 22.3 Commitments Not Presented in the Liabilities of the Statement of financial position;

Description	Type of Currency	December 31, 2014	December 31, 2014	December 31, 2013	December 31, 2013
		Currency Amount	TL Amount	Currency Amount	TL Amount
Sarkuysan Letters of Guarantees Given	TL	-	45.238.084	-	102.000.919
Sarkuysan Letters of Guarantees Given	USD	7.128.000	16.529.119	9.000	19.208
Sarkuysan Letters of Guarantees Given	TL	-	32.120	-	32.120
Sarkuysan Letters of Guarantees Given	USD	17.495	40.569	167.495	357.484
Sarkuysan Letters of Guarantees Given	EURO	-	-	-	-
Bemka Letters of Guarantees Given	TL		2.341.266		2.011.407
Bemka Letters of Guarantees Given	USD	-	-	300.000	640.290
Bektaş Letters of Guarantees Given	TL	-	2.117	-	2.894
Sarda Letters of Guarantees Given	TL	-	15.278.000	-	11.322.000
Ege Free Zone Letters of Guarantees Given	USD	1.838	4.262	1.838	3.922
<b>Total</b>			<b>79.465.537</b>		<b>116.390.244</b>
Sarkuysan Sureties Given	TL	-	106.696.342	-	106.696.342
Sarkuysan Sureties Given	EURO	500.000,00	1.410.350	500.000	1.468.250
Sarkuysan Sureties Given	USD	12.500.000	28.986.250	19.500.000	41.618.850
<b>Total</b>			<b>137.092.942</b>		<b>149.783.442</b>
Sarda Letters of Guarantees Taken	TL	-	5.400.000	-	890.000
Sarda Letters of Guarantees Taken	USD	-	-	-	-
Sarmakina Letters of Guarantees Taken	TL	-	121.046	-	-
Sarmakina Letters of Guarantees Taken	USD	-	-	-	-
Sarmakina Letters of Guarantees Taken	EURO	-	-	-	-
Sarkuysan Letters of Guarantees Taken	TL	-	10.933.300	-	7.035.000
Sarkuysan Letters of Guarantees Taken	USD	4.284.500	9.935.327	3.944.000	8.417.679
Sarkuysan Letters of Guarantees Taken	EURO	304.500	858.903	20.000	58.730
Sarkuysan Letters of Guarantees Taken	GBP	-	-	-	-
<b>Total</b>			<b>27.248.576</b>		<b>16.401.409</b>
Sarda Cheques of Guarantees Received	TL	-	1.225.000	-	1.325.000
Sarmakina Cheques of Guarantees Received	TL	-	-	-	-
Sarkuysan Cheques of Guarantees Received	TL	-	67.700	-	67.700
Sarkuysan Cheques of Guarantees Received	USD	343.965	797.621	229.974	490.834
Sarkuysan Cheques of Guarantees Received	EURO	-	-	21.641	63.549
<b>Total</b>			<b>2.090.321</b>		<b>1.947.083</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Description	Type of Currency	December 31,	December 31,	December 31,	December 31,
		2014	2014	2013	2013
Sarkuysan Notes of Guarantees Received	TL	-	31.642.598	-	57.035.449
Sarkuysan Notes of Guarantees Received	USD	39.134.620	90.749.270	44.740.325	95.489.275
Sarkuysan Notes of Guarantees Received	EURO	60.325	170.158	60.325	177.144
Sarda Notes of Guarantees Received	TL	-	11.180.000	-	11.800.000
Sarda Notes of Guarantees Received	USD	14.750.000	34.203.775	17.250.000	36.816.675
<b>Total</b>			<b>167.945.801</b>		<b>201.318.543</b>
Sarkuysan Mortgages Received	USD	10.000.000	23.189.000	10.000.000	21.343.000
Sarkuysan Mortgages Received	TL	-	19.100.000	-	19.100.000
Sarda Mortgages Received	TL	-	3.250.000	-	5.000.000
Sarda Mortgages Received	USD	10.000.000	23.189.000	-	-
Bemka Mortgages Received	TL	-	150.000	-	150.000
<b>Total</b>			<b>68.878.000</b>		<b>45.593.000</b>
Sarkuysan Notes of Guarantees Given	TL	-	-	-	675.000
Sarkuysan Notes of Guarantees Given	USD	65.503.238	151.895.458	64.057.316	136.717.529
Sarkuysan Notes of Guarantees Given	EURO	20.500.000	57.824.350	27.815.000	81.678.748
Bemka Notes of Guarantees Given	TL		225.000	-	-
<b>Total</b>			<b>209.944.808</b>		<b>219.071.277</b>
Bemka Mortgages Given	EURO	-	-	-	-
Sarkuysan Mortgages Given	EURO	1.100.000	3.102.770	1.100.000	3.230.150
Sarkuysan Mortgages Given	TL		-		-
<b>Total</b>			<b>3.102.770</b>		<b>3.230.150</b>
Bemka Pledge of Assets	TL	-	-	-	-
<b>Total</b>			-		-
Sarkuysan Guarantees of Factoring	TL		8.677.040	-	36.162.063
Sarkuysan Hedging Operations	USD	59.664.673	138.356.411	53.602.705	114.404.253
Sarkuysan Hedging Operations	EURO	9.419.104	26.568.466	23.422.150	68.779.145
Sarkuysan Hedging Operations	GBP	-	-	-	-
<b>Total</b>			<b>173.601.917</b>		<b>219.345.461</b>

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**December 31, 2014**

In the current period, TL 2.022.621 of the cheques of guarantees received by the company belongs to its customers and TL 67.700 belongs to service vendors.

Letter of guarantees with the amount of TL 25.538.873 are received from the customers and TL 1.709.703 from service vendors.

Notes of Guarantees Received were taken from the customers and suppliers with the amounts of TL 161.854.724 and TL 6.091.077, respectively.

Letter of guarantees given with the amount of TL 29.184.986 to Large Taxpayers Office, TL 15.178.000 to Bosporus Corporate Taxpayers Office, TL 6.000.000 was given to the under secretariat of Customs, TL 2.876.879 to Gaziport, TL 16.508.249 (USD 7.119.000) to Group Company Sark Wire Corp. and TL 9.717.423 to other public institutions.

Letters of Guarantee given amounting to TL 29.184.986 to Large Taxpayers Office, Portion of letters of guarantee given amounting to TL 17.750.295 was untied before report date.

Portion of notes of guarantee given amounting to TL 209.719.808 is given to Eximbank, rest of portion amounting to TL 225.000 is consist of notes of guarantee given to trade payables relating service procurement.

Sureties were given for Bektaş TL 6.342, Sarmakina TL 1.410.350 (EURO 500.000), Sarda TL 18.370.000 TL, Sark Wire Corp. TL 23.189.000 (USD 10.000.000) and Bemka TL 94.117.250 (TL 88.320.000 and USD 2.500.000) which were consolidated according to full consolidation method.

**December 31, 2013**

In the current period, TL 1.879.383 of the cheques of guarantees received by the company belongs to its customers and TL 67.700 belongs to service vendors.

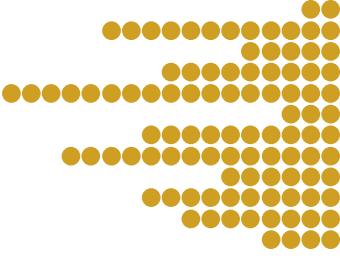
Letter of guarantees with the amount of TL 16.116.409 are received from the customers and TL 285.000 from service vendors.

Notes of Guarantees Received were taken from the customers and suppliers with the amounts of TL 196.854.620 and TL 4.463.923, respectively.

Letter of guarantees given with the amount of TL 92.761.257 to Large Taxpayers Office, TL 11.322.000 to Bosporus Corporate Taxpayers Office, TL 5.000.000 was given to the under secretariat of Customs, TL 2.544.326 to Gaziport and TL 4.762.661 to other public institutions.

All of the notes of guarantees given are consist of Exim bank guarantees.

Sureties were given for Bektaş TL 6.342, Sarmakina TL 1.468.250 (EURO 500.000), Sarda TL 18.370.000 TL, Sark Wire Corp. TL 36.283.100 (USD 17.000.000) and Bemka TL 93.655.750 (TL 88.320.000 and USD 2.500.000) which were consolidated according to full consolidation method.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

22.4 Total Amount of Insurances on Assets;

**December 31, 2014**

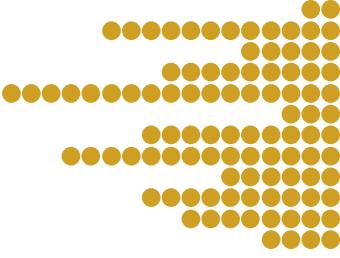
Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount	
					TL	Foreign Currency Amount
Interruption of Machinery	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	100.000.000
Fire	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	242.021.000
Loss Profit Interruption Insurance	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	7.000.000
Electronical Equip.	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	4.000.000
Cash Fire-Robbery	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	100.000
Product Liability Insu.	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	305.000.000
Carried Money- Value	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.000.000
Breach of Trust	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	400.000
Employer's Liability	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	151.200.000
Individual Accident Insurance	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	360.000.000
3 <sup>rd</sup> Person Responsibility	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.000.000
Vehicles	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	TL	807.592	-
Building (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	248.522
Commodity (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	550.000
Furniture and Fixtures (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	59.700
Machine (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	527.855
Additional Benefits	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.634.599
Terror	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.634.599
Earthquake	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.634.599
Commodity Robbery	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	550.000
Furniture and Fixtures (Robbery)	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	59.700
Machinery and Facility (Robbery)	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	527.855
Loss Profit	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	100.000

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Interruption of Glass	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.000
Environmental Regulation (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	248.522
Carried Money - Value	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	500.000
Cash Breach of Trust	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	700.000
Interruption of Machinery	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	2.761.189
Electronical Equipment	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	208.000
Building Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	140.000
Building Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	9.978.000
3 <sup>rd</sup> Person Financial Responsibility	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.000.000
Vehicles	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	TL	137.500	-
Fire	Bektaş A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	3.000.000
Employer Financial Responsibility	Bektaş A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.000.000
Personal Accident Insurance	Bektaş A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	150.000
Furniture and Fixtures	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	200.000
Money Pack	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.145.000
3 <sup>rd</sup> Person Financial Responsibility	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.000.000
Employer Financial Responsibility	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	USD	-	1.200.000
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2014 December 31, 2015	TL	26.800	-
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	October 6, 2014 October 6, 2015	TL	50.000	-
Commercial Goods	Sarda A.Ş.	Axa Sigorta A.Ş.	February 25, 2014 February 25, 2015	USD	-	80.000
Product Responsibility-Withdrawal Insurance	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	2.000.000
Tuzla CTC Machine Plant Fire	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	2.254.749
Tuzla Emaye Machine Plant Fire	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	7.214.731
Tuzla Furniture and Fixtures Fire	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	100.000
Loss Profit Ins.	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	1.500.000
Gebze Machine Plant Fire	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	10.066.254



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Tuzla CTC Commercial Goods Fire	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	1.500.000
Tuzla Commercial Goods Fire	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	1.500.000
Gebze Commercial Goods Fire	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	2.000.000
Tekirdağ Commercial Goods	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	400.000
Tuzla CTC Interruption of Machine	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	2.254.749
Tuzla Emaye Interruption of Machine	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	7.214.731
Gebze Interruption of Machine	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	9.814.826
Electronical Equipment	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	450.000
Carried Money	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	500.000
Cash Fire	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	300.000
Employer Financial Responsibility (Gebze)	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	100.000
Employer Financial Responsibility (Tuzla)	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	100.000
3 <sup>rd</sup> Person Financial Responsibility Ins.	Bemka	Axa Sigorta	December 31, 2014 December 31, 2015	USD	-	1.000.000
Tuzla Financial Lease Machines	Bemka	Burgan Ray Sigorta	April 21, 2014 April 21, 2015	EURO	-	1.350.963
Hazardous Material and waste Financial Resp.	Bemka	Nart Anadolu Sigorta	April 12, 2014 April 12, 2015	TL	7.745.000	-
34 UD 3913 Tofaş Doblo	Bemka	Nart Anadolu Sigorta	June 11, 2014 June 11, 2015	TL	12.500	-
Building Fire	Sark Wire Corp.	Accord Co.	December 31, 2014 December 31, 2015	USD	-	4.324.380
Machine	Sark Wire Corp.	Accord Co.	December 31, 2014 December 31, 2015	USD	-	13.220.000
<b>Total EURO</b>						<b>1.350.963</b>
<b>Total USD</b>						<b>1.270.374.560</b>
<b>Total TL</b>						<b>8.779.392</b>

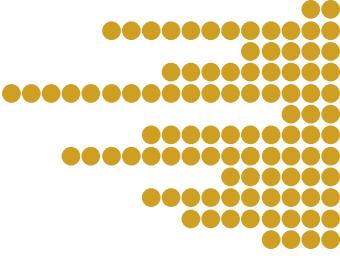
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**December 31, 2013**

Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount	
					TL	Foreign Currency Amount
Interruption of Machinery	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	95.000.000
Fire	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	242.021.000
Loss Profit Interruption Insurance	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	15.000.000
Electronical Equip.	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	4.000.000
Cash Fire-Robbery	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	100.000
Product Liability Insu.	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	305.000.000
Carried Money- Value	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.000.000
Breach of Trust	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	400.000
Employer's Liability	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	149.200.000
Individual Accident Insurance	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	360.000.000
Financial Liability Policies of Related Individuals	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.000.000
Vehicles	Sarkuysan	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	TL	777.651	-
Building (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	248.522
Commodity (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	550.000
Furniture and Fixtures (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	59.700
Machine (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	527.855
Additional Benefits	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.634.599
Terror	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.634.599
Earthquake	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.634.599
Commodity Robbery	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	550.000
Furniture and Fixtures (Robbery)	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	59.700
Machinery and Facility (Robbery)	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	527.855
Loss Profit	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	100.000



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

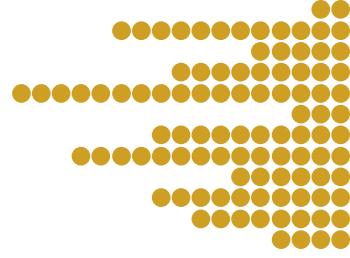
Interruption of Glass	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.000
Environmental Regulation (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	248.522
Carried Money - Value	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	350.000
Cash Breach of Trust	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	550.000
Interruption of Machinery	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.900.000
Electronical Equipment	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	204.000
Building Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	143.000
Building Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	9.486.000
3 <sup>rd</sup> Person Financial Responsibility	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.000.000
Vehicles	Sarmakina A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	TL	165.977	-
Fire	Bektaş A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	3.000.000
Employer Financial Responsibility	Bektaş A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	200.000
Personal Accident Insurance	Bektaş A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	150.000
Furniture and Fixtures	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	200.000
Carried Money - Value	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	360.000
Breach of Trust	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	25.000
Cash Breach of Trust	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.000.000
3 <sup>rd</sup> Person Financial Responsibility	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.000.000
Employer Financial Responsibility	Sarda A.Ş.	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.000.000
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	September 30, 2013 September 30, 2014	TL	22.500	-
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	October 6, 2013 October 6, 2014	TL	50.000	-
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	December 27, 2013 December 27, 2014	TL	25.000	-
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	December 30, 2013 December 30, 2014	TL	50.000	-
Commercial Goods	Sarda A.Ş.	Axa Sigorta A.Ş.	February 25, 2013 February 25, 2014	USD	-	180.000
Tuzla CTC Machine Plant Fire	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.498.806

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Tuzla Emaye Machine Plant Fire	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	2.292.029
Tuzla CTC Commercial Goods Fire	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.500.000
Tuzla CTC Machine Plant Fire	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.500.000
Tuzla Furniture and Fixtures Fire	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	100.000
Loss Profit	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.500.000
Gebze Interruption of Machine	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	9.099.649
Gebze Commercial Goods Fire	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	2.000.000
Tuzla CTC Interruption of Machine	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.498.806
Tuzla Emaye Interruption of Machine	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	2.292.029
Gebze Interruption of Machine	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	7.622.149
Tekirdağ Commercial Goods	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	400.000
Electronical Equipment	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	450.000
Carried Money - Value	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	500.000
Cash Fire	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	300.000
Employer Financial Responsibility (Gebze)	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	100.000
Employer Financial Responsibility (Tuzla)	Bemka	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	100.000
Product Responsibility Insurance	Bemka	Allianz Sigorta A.Ş.	December 17, 2013 December 17, 2014	EURO	-	2.000.000
Product Recall	Bemka	Allianz Sigorta A.Ş.	December 17, 2013 December 17, 2014	EURO	-	2.000.000
Tuzla Financial Lease Machines	Bemka	Ak Finansal A.Ş.	November 14, 2013 November 14, 2014	EURO	-	1.255.000
Tuzla Financial Lease Machines	Bemka	Ray Sigorta A.Ş.	February 28, 2013 February 28, 2014	EURO	-	5.920.995
Hazardous Material and waste Financial Resp.	Bemka	Nart Anadolu Sigorta A.Ş.	April 12, 2013 April 12, 2014	TL	7.745.000	-
34 BS 5922 Tofaş Doblo	Bemka	Nart (Zürich) Sigorta A.Ş.	December 16, 2013 December 16, 2014	TL	17.100	-
34 UD 3913 Tofaş Doblo	Bemka	Anadolu Sigorta A.Ş.	June 11, 2013 June 11, 2014	TL	12.500	-
<b>Total</b>					<b>8.865.728</b>	<b>1.245.175.414</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### 22.5 Distribution of given Mortgages & Guarantees and portion in Owners' Equity

Group's guarantee/pledge/mortgage statements position for period in December 31, 2014 and December 31, 2013 are as follows.

Mortgages & Guarantees Given by the Group	December 31, 2014	December 31, 2014	December 31, 2013	December 31, 2013
	Foreign Currency Amount	TL Amount	Foreign Currency Amount	TL Amount
A. Total amount of M&G Given on behalf of the Group	-	<b>272.902.096</b>	-	<b>335.461.521</b>
Guarantee Letters (TL)	-	62.891.587	-	115.369.340
Guarantee Letters (EURO)	-	-	-	-
Guarantee Letters (USD)	28.333	65.701	478.333	1.020.904
Mortgages (TL)	-	-	-	-
Mortgages (EURO)	-	-	-	-
Guarantee Cheques (TL)	-	-	-	-
Guarantee Cheques (USD)	-	-	-	-
Guarantee Notes (TL)	-	225.000	-	675.000
Guarantee Notes (USD)	65.503.238	151.895.458	64.057.316	136.717.529
Guarantee Notes (EURO)	20.500.000	57.824.350	27.815.000	81.678.748
Pledge of Assets (TL)	-	-	-	-
B. Total amount of M&G Given on behalf of the Subsidiaries and Affiliated Companies subject to full consolidation	-	<b>156.703.961</b>	-	<b>153.013.592</b>
Surety (TL)	-	106.696.342	-	106.696.342
Surety (EURO)	500.000,00	1.410.350	500.000	1.468.250
Surety (USD)	12.500.000	28.986.250	19.500.000	41.618.850
Mortgages (EURO)	1.100.000	3.102.770	1.100.000	3.230.150
Guarantee Letters (USD)	7.119.000	16.508.249	-	-
C. Total Amount of M&G Given on behalf of the third person liability in order to sustain usual business activities.	-	-	-	-
D. Total Amount of other M&G Given	-	-	-	-
<b>Total</b>		<b>429.606.057</b>		<b>488.475.113</b>

The ratio of total amount of M&G given on behalf of the Group to the Group's shareholders' equity as of December 31, 2014 is 0%. (December 31, 2013: 0%)

### NOTE 23 COMMITMENTS

None

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 24 EMPLOYEE TERMINATION BENEFITS**

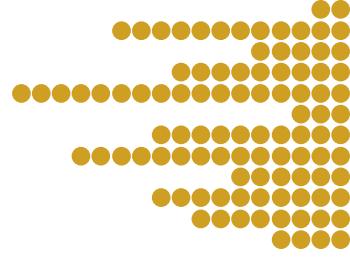
Account Name	December 31, 2014	December 31, 2013
Provisions for Termination Indemnity	20.361.722	18.665.051
<b>Total</b>	<b>20.361.722</b>	<b>18.665.051</b>

In context of current Labor Law, liability of payment of legal benefit for termination indemnity arises when terminated employment contract is qualified for termination indemnity. In addition, according to currently operated Social Insurance Law making payment to employee, who has the right of severance with termination indemnity, is a legal liability As of December 31, 2014, termination indemnity upper limit is monthly TL 3.438,22 (December 31, 2013: TL 3.254,44). Termination indemnity payable is not subject to any legal funding. As of January 01, 2015, termination indemnity upper limit is monthly TL 3.541,37.

Termination indemnity payable, is calculated by forecasting the present value of currently working employee's possible future liabilities IAS 19 ("Employee Termination Benefits"), predicts to build up Group's liabilities with using actuarial valuation techniques in context of defined benefit plans. According to these predictions, actuarial assumptions used in calculation of total liabilities are as follows: Base assumption is the inflation parallel increase of maximum liability of each year Applied discount rate must represent expected real discount rate after the adjustment of future inflation As of December 31, 2014, provisions in financial statement are calculated by forecasting the present value of currently working employee's possible future liabilities. The provisions at the statement of financial position dates have been calculated assuming an annual inflation rate of 6,00% and a discount rate of 9,75%. The real discount rate of 3,54% (December 31, 2013: 4,27%) was used in the computation. Employee termination benefits related to severance for December 31, 2014 probability estimate was calculated as 98,09%. (December 31, 2013: 98,15%). The Group Management revised the expectations of discount assumptions in 2014.

Movements of Provisions for Termination Indemnity are as follows:

	January 1, 2014 December 31, 2014	January 1, 2013 December 31, 2013
Provision as of January 1	18.665.051	13.686.629
Current Period Service Cost	1.584.396	1.442.145
Interest Cost	1.866.506	1.360.321
Actuarial Income/Loss	(24.423)	2.869.719
Loss Composed on Payment	291.283	412.013
Payments	(2.021.091)	(1.105.776)
<b>Closing Balance</b>	<b>20.361.722</b>	<b>18.665.051</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Provision expense for termination indemnities is TL 3.717.762 (December 31, 2013: TL 6.084.198), the accounts are recognized as an expense as follows:

	January 1, 2014 December 31, 2014	January 1, 2013 December 31, 2013
Manufacturing Cost	2.593.206	2.181.376
Marketing, Selling and Distribution Expenses	106.578	53.441
General Administration Expenses	1.042.401	979.662
<b>The amount accounted in Profit/Loss</b>	<b>3.742.185</b>	<b>3.214.479</b>
<b>Actuarial Loss accounted in Other Comprehensive Income</b>	<b>(24.423)</b>	<b>2.869.719</b>
<b>Total Expense</b>	<b>3.717.762</b>	<b>6.084.198</b>

	January 1, 2014 December 31, 2014	January 1, 2013 December 31, 2013
Actuarial Loss accounted in Other Comprehensive Income	(24.423)	2.869.719
Tax Effect: 20%	13.925	(564.306)
<b>Net Amount</b>	<b>(10.498)</b>	<b>2.305.413</b>

### NOTE 25 RETIREMENT BENEFIT PLANS

None.

### NOTE 26 OTHER ASSETS AND LIABILITIES

Account Name	December 31, 2014	December 31, 2013
Prepaid Expenses for Following Months	3.154.692	2.212.100
Advances Given For Purchases	972.550	487.722
Travel Advances	7.860	172.590
<b>Total (Current Assets)</b>	<b>4.135.102</b>	<b>2.872.412</b>
Prepaid Expenses for Following Years	-	-
Advances Given For Purchases	1.088.642	485.180
<b>Total (Non-Current Assets)</b>	<b>1.088.642</b>	<b>485.180</b>

Other current assets for the periods ended, are as follows:

Account Name	December 31, 2014	December 31, 2013
Deferred V.A.T.	3.243.951	224.788
Other Doubtful Assets	303.568	295.385
Provisions for Other Doubtful Assets (-)	(303.568)	(295.385)
Employee Advances	-	-
Other	2.318.841	767.882
<b>Total</b>	<b>5.562.792</b>	<b>992.670</b>

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Provisions for other doubtful assets:

<b>Account Name</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Opening balance	(295.385)	(295.385)
Received amount in the current year (-)	448	-
Foreign Exchange	-	-
Period cost	(8.631)	-
<b>Closing balance</b>	<b>(303.568)</b>	<b>(295.385)</b>

Group's Deferred Incomes for the periods ended, are as follows:

<b>Account Name</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Advances Received	6.977.168	22.549.729
Income for the following Years (*)	12.611.733	11.711.700
<b>Total</b>	<b>19.588.901</b>	<b>34.261.429</b>

(\*) Income for the following years is consist of revenue that distributing date pending next period as of statement of financial position date.

The Group has no Other Short-Term Liabilities for the periods ended.

The Group has no Other Long-Term Liabilities for the periods ended.

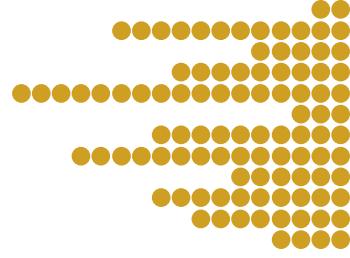
**NOTE 27 CAPITAL, RESERVES and OTHER SHAREHOLDER'S EQUITY ITEMS**

**27.1 Non-Controlling Interests**

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Non-Controlling Interests	97.555	173.763
<b>Total</b>	<b>97.555</b>	<b>173.763</b>

Non-Controlling Interests movement table for the periods ended, are as follows:

	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Opening Balance, January 1	173.763	734.676
Share from Current Period Profit	(59.212)	(535.842)
Profit Distribution	(15.078)	(13.586)
Foreign Currency Translation Adjustments	3.135	(7.483)
Employee Termination Benefits Actuarial Gain/Loss	(5.053)	(4.002)
Other	-	-
<b>Closing Balance</b>	<b>97.555</b>	<b>173.763</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**27.2 Capital/Adjustments regarding Share Capital of Participations (-)**

The share capital consist of 10.000.000.000 per-shares which each of 1 nominal value. The share capital consists of A and B Group shares which are divided into two groups and their privileges as follows:

	Par Value	Number of Shares
A Type Shares	5	500
B Type Shares	99.999.995	9.999.999.500
<b>Total</b>	<b>100.000.000</b>	<b>10.000.000.000</b>

The capital is divided into group A and B. Group A shares is registered shares. Board of directors has 11 members. 5 of members of the board of directors are nominated by candidates that selected Group A Shareholder's while 4 of members of the board of directors are nominated by candidates that selected Group B. 2 of 11 members are selected comply with the corporate governance principles issued by Capital Market Board.

Type B shares are publicly traded and there is no shareholder who is holding voting rights more than 10% in TL 100.000.000 nominal price equity.

Increase in Capital:

December 31, 2014

None

December 31, 2013

None

**27.3 Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss**

Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss for the periods ended, are as follows:

Account Name	December 31, 2013	December 31, 2012
Actuarial Gain/Loss ( <b>Note: 24</b> )	(2.836.241)	(2.865.717)
Tax Effect (-)( <b>Note: 24, Note: 35</b> )	550.381	564.306
Actuarial Gain/Loss (Net)	(2.285.860)	(2.301.411)
Investment Property Revaluation Surplus	12.866.034	11.117.185
Tangible Assets Revaluation Surplus	721.881	721.881
<b>Revaluation and Gain/Loss Arising from Measurement</b>	<b>11.302.055</b>	<b>9.537.655</b>
Portion of Profit/(Loss) of Investments Evaluated by Equity Method ( <b>Note: 16</b> )	717.841	227.674
Other gain/loss	717.841	227.674
<b>Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss</b>	<b>12.019.896</b>	<b>9.765.329</b>

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss movement table for the periods ended, is as follows:

**December 31, 2014**

	<b>Actuarial Gain/ Loss (****)</b>	<b>Investment Property Revaluation Surplus (*)</b>	<b>Tangible Assets Revaluation Surplus (**)</b>	<b>Other Gain/Loss (***)</b>	<b>Total</b>
Opening Balance, January 1	(2.301.411)	11.117.185	721.881	227.674	9.765.329
Addition	24.423	1.840.894	-	490.167	2.355.484
Transfer to Previous Years Profit/Loss) (-) ( <b>Note: 17</b> )	-	-	-	-	-
Employee Termination Benefits Actuarial Gain/Loss	5.053	-	-	-	5.053
Deferred Tax Offset (-)	(13.925)	(92.045)	-	-	(105.970)
<b>Closing Balance</b>	<b>(2.285.860)</b>	<b>12.866.034</b>	<b>721.881</b>	<b>717.841</b>	<b>12.019.896</b>

**December 31, 2013**

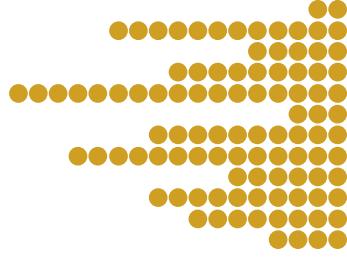
	<b>Actuarial Gain/ Loss (****)</b>	<b>Investment Property Revaluation Surplus (*)</b>	<b>Tangible Assets Revaluation Surplus (**)</b>	<b>Other Gain/ Loss (***)</b>	<b>Total</b>
Opening Balance, January 1	-	36.032.215	721.881	-	36.754.096
Addition	(2.869.719)	-	-	227.674	(2.642.045)
Transfer to Previous Years Profit/Loss) (-) ( <b>Note: 17</b> )	-	(24.915.030)	-	-	(24.915.030)
Employee Termination Benefits Actuarial Gain/Loss	4.002	-	-	-	4.002
Deferred Tax Offset (-)	564.306	-	-	-	564.306
<b>Closing Balance</b>	<b>(2.301.411)</b>	<b>11.117.185</b>	<b>721.881</b>	<b>227.674</b>	<b>9.765.329</b>

(\*) The group's investment property is recognized at fair value. Investment property took into consideration for the intended purpose of first classification related to capital appreciation which was recognized under shareholder's equity. Capital Appreciation related to evaluated investment property which was recognized understatement of profit or loss in next year's. Evaluation differences (Capital Appreciation) is recognized under shareholder's equity. The deferred tax asset related to capital appreciation is offset from evaluation differences fund. CMB determines that series: VIII, No: 35° Communiqué on principles regarding appraisal companies and their listing by the board" with this communiqué the evaluation made by real estate appraisal companies which listed by the Board, when determine the fair value of investment property. (**Note: 17**)

(\*\*) Tangible Assets Revaluation Surplus TL 721.881 is share from Profit/(Loss) of Investments Evaluated by Equity Method that accounted in Revaluation Surplus under Equity.

(\*\*\*) Group's participations are recognized as investments evaluated by equity method under portion of other comprehensive income.

(\*\*\*\*) Explanations on Actuarial Gain/Loss are disclosed in **Note. 24**.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**27.4 Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss**

Other Comprehensive Income/Expense to be Reclassified to Profit or Loss for the periods ended, are as follows:

<b>Account Name</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Foreign Currency Translation Adjustments	7.845.059	6.006.787
Other Gain/Loss	-	-
<b>Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss</b>	<b>7.845.059</b>	<b>6.006.787</b>

**27.5 Restricted Reserves from Profit**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

**27.6 Previous Years' Profits/(Losses)**

Profits of previous years consist of extraordinary reserves, and profits of other previous years. In accordance with CMB regulations, Previous year's profits/(Loses) as of December 31, 2014 and December 31, 2013 are as follows:

<b>Account Name</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Extraordinary Reserves	63.937.963	57.583.351
Other Previous Years' Profits/(Losses)	21.215.942	56.117.868
<b>Total</b>	<b>85.153.905</b>	<b>113.701.219</b>

Publicly traded companies shall perform dividend distribution in accordance with the Communiqué on Dividends II-19.01 of the Capital Market Board effective. Within the scope of this communiqué, no minimum distribution rate has been determined. Companies shall pay dividends as set out in their profit distribution policies or their article association. Additionally, dividends can be paid via equal or different installments and companies can be distributing dividend advances based on profits at interim financial statements. The amount of distributable profit based on the companies' decision, does not exceed the net distributable profit in the statutory accounts, the whole amount should be distributed, and otherwise all distributable amount in the statutory accounts are distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

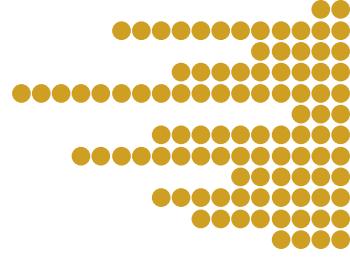
**27.7 Other**

<b>Account Name</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Capital	100.000.000	100.000.000
Capital Adjustments Differences	51.466.039	51.466.039
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss	12.019.896	9.765.329
<i>Defined Benefit Plans Revaluation measurement</i>		
<i>Gains and Losses</i>	(2.285.860)	(2.301.411)
<i>Investment Property Revaluation Surplus</i>	12.866.034	11.117.185
<i>Tangible Assets Revaluation Surplus</i>	721.881	721.881
<i>Other Gain/Loss</i>	717.841	227.674
Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss	7.845.059	6.006.787
<i>Currency Translation Adjustments</i>	7.845.059	6.006.787
Restricted Reserves	50.074.694	17.563.933
Previous Years' Profit	85.153.905	113.701.219
Net Period Profit	24.334.768	25.898.931
<b>Parent Company Shareholders' Equity</b>	<b>330.894.361</b>	<b>324.402.238</b>
<b>Non-Controlling Interests</b>	<b>97.555</b>	<b>173.763</b>
<b>Total Shareholders' Equity</b>	<b>330.991.916</b>	<b>324.576.001</b>

**NOTE 28 REVENUE AND COST OF SALES**

Revenue and cost of sales for the periods ended are as follows:

<b>Account Name</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Domestic Sales	1.380.739.911	1.377.165.663
Foreign Sales	1.175.158.271	1.018.016.930
Other Sales	21.514.392	39.750.969
Sales returns (-)	(15.975.782)	(8.888.590)
Discounts (-)	(15.268.185)	(14.187.111)
<b>Revenue</b>	<b>2.546.168.607</b>	<b>2.411.857.861</b>
<b>Cost of Sales (-)</b>	<b>(2.454.071.695)</b>	<b>(2.307.658.735)</b>
<b>Gross Profit</b>	<b>92.096.912</b>	<b>104.199.126</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Details of Cost of Sales are as follows:

<b>Account Name</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Cost of Products Sold (-)	(2.394.532.164)	(2.243.200.539)
Cost of Commercial Goods Sold (-)	(25.024.516)	(15.250.985)
Cost of Services Sold (-)	(17.524.729)	(15.352.305)
Depreciation (-)	(14.486.845)	(15.251.657)
Cost of Other Sales (-)	(2.503.441)	(18.603.249)
<b>Cost of Sales (-)</b>	<b>(2.454.071.695)</b>	<b>(2.307.658.735)</b>

<b>Production Quantities</b>	<b>Amount</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
		<b>December 31, 2014</b>	<b>December 31, 2013</b>
Copper Wire	Tone	145.421	139.935
Copper Pipe, Bars, Bronze, etc.	Tone	16.305	16.747
Copper Bar, Plate	Tone	212	220
CTC Wire	Tone	2.374	2.579
Enamel copper wire	Tone	8.748	9.068
Steel, Reel Dimensions	Units	2.249	1.065
Machine Manufacturing	Units	15	6

<b>Sales Quantities</b>	<b>Amount</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
		<b>December 31, 2014</b>	<b>December 31, 2013</b>
Copper Wire	Tone	145.187	139.696
Copper Pipe, Bars, Bronze, etc.	Tone	16.582	16.672
Copper Bar, Plate	Tone	212	220
Steel, Reel Dimensions	Units	2.249	1.065
Machine Manufacturing	Units	15	6
CTC Wire	Tone	2.282	2.577
Enamel copper wire	Tone	8.772	8.848

**NOTE 29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATION EXPENSES**

The Operation Expenses of the Group for the periods ended are as follows:

<b>Account Name</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Marketing, Sales & Distribution Expenses (-)	(24.635.772)	(22.737.997)
General Administration Expenses (-)	(24.290.876)	(21.494.550)
Research and Development Expenses (-)	(737.058)	(371.053)
<b>Total Operation Expenses</b>	<b>(49.663.706)</b>	<b>(44.603.600)</b>

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

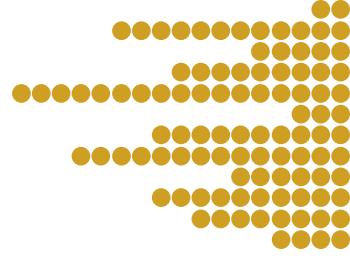
(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 30 EXPENSES RELATED TO THEIR NATURE**

Group's Expenses Related to Their Nature for the periods ended are as follows:

<b>Marketing, Sales &amp; Distribution Expenses</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Personnel Expenses	(7.280.041)	(6.923.211)
Market Research Expenses	(624.364)	(945.996)
Termination Indemnity Expense	(106.578)	(53.441)
Communication Expenses	(195.563)	(160.218)
Transportation Expenses	(6.280.218)	(5.658.322)
Packaging Expenses	(6.656.641)	(5.996.459)
Advertisement Expenses	(635.087)	(473.770)
Maintenance and Repair Expenses	(1.920)	(70.792)
Insurance Expenses	(156.615)	(142.216)
Taxes, Duties and Charges Expenses	(143.388)	(129.559)
Depreciation Expenses	(90.873)	(77.226)
Vehicle Expenses	(263.866)	(203.608)
Rent Expenses	(86.630)	(72.738)
Other	(2.113.988)	(1.830.441)
<b>Total</b>	<b>(24.635.772)</b>	<b>(22.737.997)</b>

<b>General Administration Expenses</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Personnel Expenses	(15.709.523)	(14.085.547)
Communication Expenses	(372.615)	(361.080)
Scholarship Expenses	(345.045)	(275.932)
Representation Expenses	(169.647)	(156.721)
Insurance Expenses	(269.497)	(523.500)
Consultancy Expenses	(889.536)	(715.242)
Building Maintenance and Repair Expenses	(61.735)	(77.582)
Termination Indemnity Expenses	(1.042.401)	(979.662)
Taxes, Duties and Charges Expenses	(811.317)	(687.018)
Advertisement Expenses	(56.011)	(120.024)
Depreciation Expenses	(609.113)	(579.388)
Travel Expenses	(81.546)	(90.403)
Vehicle Expenses	(271.785)	(281.049)
Rent Expenses	(326.816)	(248.345)
Other	(3.274.289)	(2.313.057)
<b>Total</b>	<b>(24.290.876)</b>	<b>(21.494.550)</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

<b>Research &amp; Development Expenses</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Personnel Expenses	(443.284)	(190.725)
Outsourced Benefits and Services	(12.847)	(8.729)
Depreciation Expenses	(230.895)	(103.456)
Other	(50.032)	(68.143)
<b>Total</b>	<b>(737.058)</b>	<b>(371.053)</b>

Research & Development Expenses in the current period is TL 1.020.941 (January 1, 2013- December 31, 2013: TL 1.160.848) and TL 491.055 (January 1 2013- December 31, 2013: TL 789.795) of its capitalized.

The distribution of depreciation expenses that are stated in the statement of profit or loss are as follows;

<b>Account Name</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Cost of Sales	(14.486.845)	(15.251.657)
Marketing, Sales and Distribution Expenses	(90.873)	(77.226)
General Administration Expenses	(609.113)	(579.388)
Research and Development Expenses	(230.895)	(103.456)
Inventories	(173.655)	(118.597)
<b>Total</b>	<b>(15.591.381)</b>	<b>(16.130.324)</b>

The distribution of the personnel expenses that are stated in the statement of profit or loss are as follows;

<b>Account Name</b>	<b>January 1, 2014</b>	<b>January 1, 2013</b>
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Cost of Sales	(49.442.186)	(42.252.321)
Marketing, Sales and Distribution Expenses	(7.280.041)	(6.923.211)
General Administration Expenses	(15.709.523)	(14.085.547)
Research and Development Expenses	(443.284)	(190.725)
<b>Total</b>	<b>(72.875.034)</b>	<b>(63.451.804)</b>

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

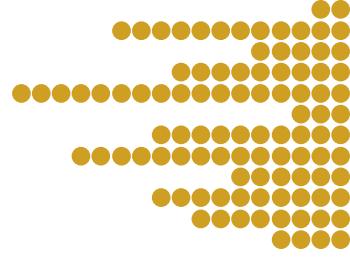
**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 31 OTHER OPERATING INCOME/EXPENSE**

Group's Other Operating Income/Expense for the periods ended are as follows:

Account Name	January 1, 2014 December 31, 2014	January 1, 2013 December 31, 2013
<b>Other Income</b>	<b>73.589.233</b>	<b>126.193.470</b>
Provisions for Doubtful Receivables Released	418.826	586.104
Income from Law Suit Released	1.195	-
Rent Income	507.795	230.087
Insurance Indemnity Revenue Income	833.506	20.239
Inventory Differences	35.053	464.533
Interest and Rediscount Income	25.737.198	28.514.194
Foreign Exchange Gain	40.527.522	88.385.544
Income from Fair Value of Investment Property	4.250.000	6.960.000
Other	1.278.138	1.032.769
<b>Other Expenses (-)</b>	<b>(36.297.171)</b>	<b>(42.631.519)</b>
Provisions for Doubtful Receivables Expenses	(704.416)	(2.728.037)
Provision for Law Suits	(163.085)	(46.714)
Idle Capacity Expenses	(389.663)	(306.502)
Provision for Other Expenses	-	-
Commission Expenses	(914)	(40.049)
Donations and Aid	(237.360)	(230.439)
Provision for Decrease in Value of Inventories	-	-
Interest and Rediscount Expense	(7.988.035)	(13.342.679)
Foreign Exchange Loss	(26.055.852)	(25.493.826)
Other	(757.846)	(443.273)
<b>Other Income/Expense (Net)</b>	<b>37.292.062</b>	<b>83.561.951</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 32 INCOMES/EXPENSE FROM INVESTMENT ACTIVITIES

Group's Income/Expense from Investment Activities for the periods ended are as follow:

<u>Account Name</u>	<u>January 1, 2014</u>	<u>January 1, 2013</u>
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
<b>Income from Investment Activities</b>	<b>184.871</b>	<b>1.036.258</b>
-Gain on Sale of Fixed Assets	183.532	1.001.791
-Interest Income	-	34.467
-Dividend Income	1.339	-
<b>Expense from Investment Activities (-)</b>	<b>-</b>	<b>-</b>
<b>Portion of Profit/(Loss) of Investments Evaluated According to Equity Method (Note: 16)</b>	<b>1.961.978</b>	<b>277.443</b>
<b>Income/Expense from Investment Activities (Net)</b>	<b>2.146.849</b>	<b>1.313.701</b>

### NOTE 33 FINANCIAL INCOMES/EXPENSE

Group's Financial Income for the periods ended are as follows:

<u>Financial Income</u>	<u>January 1, 2014</u>	<u>January 1, 2013</u>
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Interest Income	1.419.554	3.142.622
Foreign Exchange Gain	58.512.552	21.087.340
Incomes Provided from Derivative Transactions	9.598.976	4.209.399
<b>Total</b>	<b>69.531.082</b>	<b>28.439.361</b>

Group's Financial Expenses for the periods ended are as follows:

<u>Financial Expenses</u>	<u>January 1, 2014</u>	<u>January 1, 2013</u>
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Interest Expense	(35.851.558)	(29.594.229)
Foreign Exchange Loss	(74.802.340)	(95.348.864)
Expenses from Derivative Transactions	(12.687.708)	(19.503.422)
Letter of Guarantee Commission Expenses	(440.641)	(664.661)
Other	(7.630)	(71.385)
<b>Total</b>	<b>(123.789.877)</b>	<b>(145.182.561)</b>

### NOTE 34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 35 TAX ASSETS AND LIABILITIES**

The Group's tax income/(expense) are composed of current period's corporate tax expense and deferred tax income/(expense).

Account Name	January 1, 2014 December 31, 2014	January 1, 2013 December 31, 2013
Current Corporate Tax Provision (-)	(6.287.931)	(10.484.096)
Deferred Tax Income/(Expense)	2.950.165	8.119.723
<b>Total Tax Income/(Expense)</b>	<b>(3.337.766)</b>	<b>(2.364.373)</b>

*35.1 Provision for Current Period Tax*

The Group and subsidiaries are subject to Corporate Tax in Turkey. The necessary tax liability provisions have been made for the estimated Group's operation results for the current period.

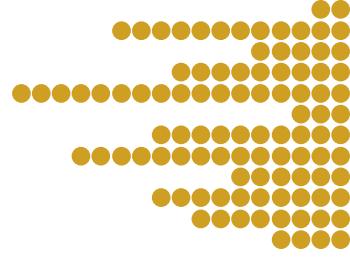
Account Name	December 31, 2014	December 31, 2013
Provision for Taxes	6.287.931	10.484.096
Prepaid Taxes (*)	(4.738.709)	(9.520.529)
<b>Total Tax Liabilities of Current Period</b>	<b>1.549.222</b>	<b>963.567</b>

(\*) Returnable prepaid tax amounting to TL 576.413 which disclosed as Current Assets under Current Income Tax Assets for period ended.  
(December 31, 2013: TL 169.482)

Companies calculate their temporary taxes on their quarterly financial profits in Turkey. Corporate income as of the temporary tax periods, temporary tax rate of 20% over the corporate income was calculated and prepaid taxes deducted from taxation on income.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset previous years' profits.

According to Corporate Tax Law's Article: 20, the corporate tax is imposed by the taxpayer's tax returns. There is no procedure for a final and definitive agreement on tax assessments. Annual corporate tax returns are submitted until the 25<sup>th</sup> of April following the closing of the accounting year. Moreover, the tax authorities have the right to examine the tax returns and the related accounting records within five years.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**Effective Corporate Tax Rate:**

According to the corporate tax law numbered 5520, which was published in the official gazette dated June 21, 2006, the effective corporate tax rate was set as 20%.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

**Income Withholding Tax:**

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed, except for resident companies in Turkey receiving dividends from resident companies in Turkey and Turkish branches of foreign companies. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006.

***35.2 Deferred Tax:***

The deferred tax asset and tax liability is based on the temporary differences, which arise between the financial statements prepared according to POA's accounting standards and statutory tax financial statements. These differences usually due to the recognition of revenue and expenses in different reporting periods for the POA's standards and tax purposes are as follows.

Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every accounting year, the Group reviews the deferred tax asset and in circumstances, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recorded deferred tax asset. Corporate tax rate is used in the calculation of deferred taxes.

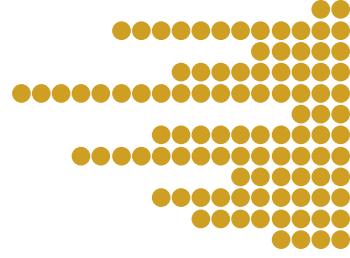
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Account Name	December 31, 2014 Accumulated Permanent Differences	December 31, 2013 Accumulated Permanent Differences	December 31, 2014 Deferred Tax Receivable/(Payable)	December 31, 2013 Deferred Tax Receivable/(Payable)
Fixed Assets	(8.245.372)	(5.181.075)	(1.649.074)	(1.036.215)
Revaluation Surplus	(1.252.279)	(1.252.279)	(250.456)	(250.456)
Investment Property Valuation Differences (Equity)	(13.543.191)	(11.702.298)	(677.160)	(585.115)
Investment Property Valuation Differences (Statement of profit or loss)	(12.080.756)	(12.080.756)	(604.038)	(604.038)
Fiscal Loss	13.789.983	-	2.757.997	-
Depreciation Expense Allocated to Inventories	(173.653)	(118.597)	(34.731)	(23.719)
Rediscount Expense	2.056.966	2.594.592	411.393	518.918
Provision for Termination Indemnity	20.185.138	18.560.543	4.037.028	3.712.109
Provision for Doubtful Receivables	5.967.108	6.218.075	1.193.422	1.243.615
Provision for Law Suits	343.310	181.420	68.662	36.284
Provision for Decrease in Value of Inventories	4.048.308	59.143	809.662	11.829
Provision for Effective Interest Expense	(215.185)	(102.524)	(43.037)	(20.505)
Rediscount of Payables	(215.350)	(768.131)	(43.070)	(153.626)
Net Expenses/Income from Derivative Transactions	(1.004.115)	1.109.666	(200.823)	221.933
Provision for Unused Authorization	1.020.111	674.474	204.022	134.895
Special Funds	-	-	-	-
Periodicity Adjustments	1.550.594	1.084.747	310.119	216.949
Other	501.992	616.300	100.398	123.261
<b>Deferred Tax Assets/Liabilities</b>			<b>6.390.314</b>	<b>3.546.119</b>
<hr/>				
			<b>January 1, 2014</b> <b>December 31, 2014</b>	<b>January 1, 2013</b> <b>December 31, 2013</b>
<b>Balance at the beginning of the period</b>			<b>3.546.119</b>	<b>(5.137.910)</b>
Equity Offsetting of Employee Termination Benefits Actuarial Gain/Loss			(13.925)	564.306
Equity Offsetting of Investment Property Appreciation Fund			(92.045)	-
Deferred Tax Income/(Expense)			2.950.165	8.119.723
<b>Balance at the end of the period</b>			<b>6.390.314</b>	<b>3.546.119</b>

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis. The companies' deferred tax assets and liabilities were not netted off and disclosed separately as reflected in the consolidated financial statements. Deferred assets and liabilities which are indicated above are calculated basis on gross value that indicated position of net deferred tax.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.  
**Notes to the Consolidated Financial Statements  
as of December 31, 2014**  
(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

The detail of carried losses which were not taken into consideration during calculation of deferred tax assets are as follows:

Period	Last Useable Year	December 31, 2014	December 31, 2013
2012	2017	-	12.555.432
2014	2019	-	-
<b>Total</b>		<b>-</b>	<b>12.555.432</b>

Fiscal loss is related to subsidiary Bermka.

Reconciliation of Tax Provision	January 1, 2014 December 31, 2014	January 1, 2013 December 31, 2013
Profits obtained from continuing operations	27.613.322	27.727.978
Income tax rate 20%	(5.522.664)	(5.545.596)
Tax effect:		
- Non-taxable Income	204.188	201.000
- Non-Deductible Expenses	(530.376)	(827.927)
- Carried Fiscal Losses which were not Taken into Consideration in Previous Periods	(***) 2.511.086	(*) 6.319.236
- Unused Fiscal Loss (***)	-	(2.511.086)
<b>Deferred Tax Income/(Expense)</b>	<b>(3.337.766)</b>	<b>(2.364.373)</b>

(\*) It is the tax effect of fiscal loss that were not taken into consideration on deferred tax calculation of subsidiary Bermka's financial statements as of December 31, 2012.

(\*\*) It is the tax effect of fiscal loss that were not taken into consideration on deferred tax calculation of subsidiary Bermka's financial statements as of December 31, 2013.

(\*\*\*) It is the tax effect of unused fiscal loss that was not taken into consideration on deferred tax calculation of subsidiary Bermka in 2013. (12.555.432 \*20%=2.511.086)

#### NOTE 36 EARNINGS PER SHARE

Earnings per share in the statement of profit or loss are calculated by dividing net income by the weighted average number of common shares outstanding for the period:

Account Name	January 1, 2014 December 31, 2014	January 1, 2013 December 31, 2013
Net Profit for the Period/(Loss)	24.334.768	25.898.931
Weighted Number of Shares	10.000.000.000	10.000.000.000
<b>Earnings per Share</b>	<b>0,00243</b>	<b>0,00259</b>

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 37 EXPLANATIONS OF RELATED PARTIES**

**37.1 Balances of Related Parties:**

December 31, 2014	Receivables		Liabilities	
	Commercial	Non-Commercial	Commercial	Non-Commercial
Demisaş	1.165.439	-	-	-
Shareholders	-	-	-	-
<b>Total</b>	<b>1.165.439</b>	<b>-</b>	<b>-</b>	<b>-</b>

December 31, 2013	Receivables		Liabilities	
	Commercial	Non-Commercial	Commercial	Non-Commercial
Demisaş	1.148.492	-	-	-
Shareholders	-	-	-	81.650
<b>Total</b>	<b>1.148.492</b>	<b>-</b>	<b>-</b>	<b>81.650</b>

There is not any guarantee taken from Group companies.

**37.2 Details of the Purchases and Sales of Related Parties:**

**December 31, 2014**

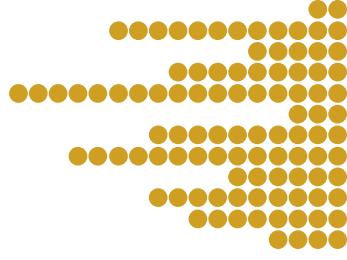
Related Parties	Good and Service Sales	Rent Income	F/X - Interest Income	Other Sales	Total
Demisaş	4.847.958	119.820	-	202.540	5.170.318
<b>Total</b>	<b>4.847.958</b>	<b>119.820</b>	<b>-</b>	<b>202.540</b>	<b>5.170.318</b>

Related Parties	Purchase of Goods and Services	Rent Expense	F/X - Interest Expense	Other Purchases	Total
Demisaş	-	32.581	-	56.922	89.503
<b>Total</b>	<b>-</b>	<b>32.581</b>	<b>-</b>	<b>56.922</b>	<b>89.503</b>

**December 31, 2013**

Related Parties	Good and Service Sales	Rent Income	F/X - Interest Income	Other Sales	Total
Demisaş	7.328.915	112.500	-	193.663	7.635.078
<b>Total</b>	<b>7.328.915</b>	<b>112.500</b>	<b>-</b>	<b>193.663</b>	<b>7.635.078</b>

Related Parties	Purchase of Goods and Services	Rent Expense	F/X - Interest Expense	Other Purchases	Total
Demisaş	-	44.069	-	3.699	47.768
<b>Total</b>	<b>-</b>	<b>44.069</b>	<b>-</b>	<b>3.699</b>	<b>47.768</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

*37.3 Benefits and Services Provided for Senior Management:*

Benefits and services provided for senior executives as of December 31, 2014 are TL 7.968.377. (December 31, 2013: TL 7.880.971)

**NOTE 38 THE CHARACTERISTICS AND LEVEL OF RISKS EXISTING FROM FINANCIAL INSTRUMENTS**

*38.1 Capital Risk Management*

The Group is planning to secure the business continuity and on the other hand planning to increase the profitability by using the balance of liabilities and share capital efficiently.

The Group's capital structure is consist of payables including the credits remarked in Note 8, cash and cash equivalents in Note 6, shareholders' equity including issued capital, capital reserves, profit reserves and previous years' profit remarked in Note 27.

The risks related to cost of capital and all categories of capital are evaluated by senior executives. By these evaluations of senior executives, structure of capital is planning to be balanced by dividend payments and issuing new shares as much as new credits or time extension of existent credits.

The group is monitoring capital by liabilities/share capital rate. This rate is calculated by dividing net liabilities to share capital. Net liabilities is calculated by subtracting cash and cash equivalents from total liabilities (stated in balance sheet like credits, financial leasings and trade payables). Total share capital, as stated in balance sheet, is calculated by the sum of owners' equity and net liabilities.

The Group's general strategy which depends on borrowings was not changed according to previous periods.

The Group risk policy mainly focuses on unpredictability and volatility of financial markets and intends to minimize the probable negative effects through the policies applied.

*38.2 Important Accounting Policies*

The Group's important accounting policies relating to financial instruments are presented in the Note 2.

*38.3 Risks Exposed*

Market risks seen at the level of Group are measured according to the sensitivity analysis principle. Market risks faced by the Group in current period or the process of undertaking the faced risks or the process of the measure of faced risks was not changed according to previous year.

*38.4 Foreign Currency Risk Management*

Since the Group operates in a diverse geographical area, operations are performed using multiple currencies. Therefore, foreign exchange risk is one of the most significant financial risks that the Group is exposed to. Main principle of this risk management, minimization of currency fluctuation and currency assets and liabilities are balanced basis of exchange rate, in other words, protecting currency position as level of near zero. Methods in statement of financial position are generally preferred to currency risk management. By the way, hedging is made with using derivate financial instrument against parity difference risk.

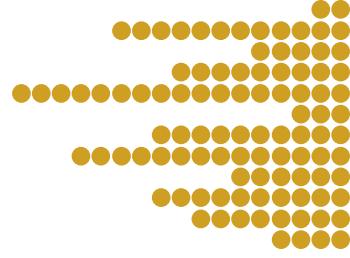
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**Foreign Exchange Rate Sensitivity Analysis Table**

	December 31, 2014			
	Profit/Loss			Equity
	Appreciation of Foreign Exchange	Devaluation of Foreign Currency	Appreciation of Foreign Exchange	Devaluation of Foreign Currency
In the event of 10% value change of US Dollar against TL:				
1- US Dollar Net Asset/Liability	2.604.924	(2.604.924)	2.604.924	(2.604.924)
2- The part, hedged from US Dollar Risk (-)	-	-	-	-
<b>3- US Dollar Net Effect (1+2)</b>	<b>2.604.924</b>	<b>(2.604.924)</b>	<b>2.604.924</b>	<b>(2.604.924)</b>
In the event of 10% value change of Euro against TL				
4- Euro Net Asset/Liability	(4.752.279)	4.752.279	(4.752.279)	4.752.279
5- The part, hedged from Euro Risk (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(4.752.279)</b>	<b>4.752.279</b>	<b>(4.752.279)</b>	<b>4.752.279</b>
In the event of 10% value change of GBP against TL:				
7- GBP Net Asset/Liability	371.745	(371.745)	371.745	(371.745)
8- The part, hedged from GBP Risk (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>371.745</b>	<b>(371.745)</b>	<b>371.745</b>	<b>(371.745)</b>
In the event of 10% value change of Other against TL:				
10- Other Net Asset/Liability	-	-	-	-
11- The part, hedged from Other Risk (-)	-	-	-	-
<b>12- Other Net Effect (10+11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>(1.775.610)</b>	<b>1.775.610</b>	<b>(1.775.610)</b>	<b>1.775.610</b>



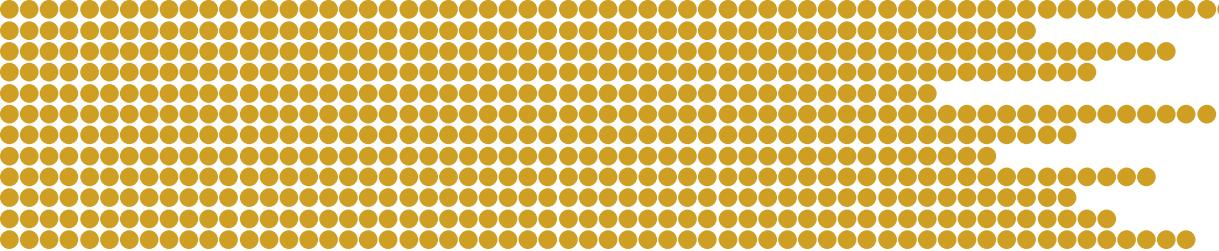
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**Foreign Exchange Rate Sensitivity Analysis Table**

	December 31, 2013			
	Profit/Loss			Equity
	Appreciation of Foreign Exchange	Devaluation of Foreign Currency	Appreciation of Foreign Exchange	Devaluation of Foreign Currency
In the event of 10% value change of US Dollar against TL;				
1- US Dollar Net Asset/Liability	13.843.270	(13.843.270)	13.843.270	(13.843.270)
2- The part, hedged from US Dollar Risk (-)	-	-	-	-
<b>3- US Dollar Net Effect (1+2)</b>	<b>13.843.270</b>	<b>(13.843.270)</b>	<b>13.843.270</b>	<b>(13.843.270)</b>
In the event of 10% value change of Euro against TL				
4- Euro Net Asset/Liability	(23.317.993)	23.317.993	(23.317.993)	23.317.993
5- The part, hedged from Euro Risk (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(23.317.993)</b>	<b>23.317.993</b>	<b>(23.317.993)</b>	<b>23.317.993</b>
In the event of 10% value change of GBP against TL;				
7- GBP Net Asset/Liability	(3.736.097)	3.736.097	(3.736.097)	3.736.097
8- The part, hedged from GBP Risk (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(3.736.097)</b>	<b>3.736.097</b>	<b>(3.736.097)</b>	<b>3.736.097</b>
In the event of 10% value change of Other against TL;				
10- Other Net Asset/Liability	-	-	-	-
11- The part, hedged from Other Risk (-)	-	-	-	-
<b>12- Other Net Effect (10+11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>(13.210.820)</b>	<b>13.210.820</b>	<b>(13.210.820)</b>	<b>13.210.820</b>



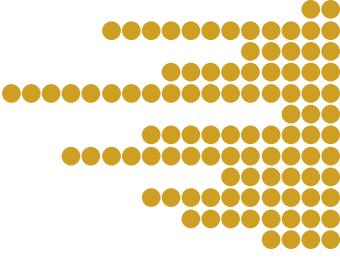
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## **Notes to the Consolidated Financial Statements as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

## Table of Foreign Exchange Position

	December 31, 2014				
	TL Value	USD	Euro	GBP	Other
1. Trade Receivables	245.983.841	62.426.042	28.276.998	5.968.456	-
2a. Monetary Financial Assets	32.265.874	11.878.502	1.378.378	231.591	-
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	3.105.858	1.226.592	92.712	-	-
<b>4. Current Assets Total (1+2+3)</b>	<b>281.355.573</b>	<b>75.531.136</b>	<b>29.748.088</b>	<b>6.200.047</b>	<b>-</b>
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	8.462	-	3.000	-	-
<b>8. Fixed Assets Total (5+6+7)</b>	<b>8.462</b>	<b>-</b>	<b>3.000</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>281.364.035</b>	<b>75.531.136</b>	<b>29.751.088</b>	<b>6.200.047</b>	<b>-</b>
10. Trade Payables	19.217.317	7.456.983	646.762	28.085	-
11. Financial Liabilities	256.267.175	65.222.354	32.042.728	4.071.115	-
12a. Other Monetary Liabilities	-	-	-	-	-
12b. Other Non-Monetary Liabilities	2.690.156	284.876	659.471	47.103	-
<b>13. Total Short Term Liabilities (10+11+12)</b>	<b>278.174.648</b>	<b>72.964.213</b>	<b>33.348.961</b>	<b>4.146.303</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-
<b>17. Total Long Term Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>278.174.648</b>	<b>72.964.213</b>	<b>33.348.961</b>	<b>4.146.303</b>	<b>-</b>
<b>19. Net Asset/(Liability) Position of Derivative Instruments off the Statement of financial position (19a-19b)</b>	<b>1.184.502</b>	<b>8.666.522</b>	<b>(13.250.000)</b>	<b>(1.020.000)</b>	<b>-</b>
19a. Total Amount of Hedged Assets	101.218.999	26.666.522	-	-	-
19b. Total Amount of Hedged Liabilities	(100.034.497)	(18.000.000)	(13.250.000)	(1.020.000)	-
<b>20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)</b>	<b>4.373.889</b>	<b>11.233.445</b>	<b>(16.847.873)</b>	<b>1.033.744</b>	<b>-</b>
<b>21. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge</b>	<b>4.373.889</b>	<b>11.233.445</b>	<b>(16.847.873)</b>	<b>1.033.744</b>	<b>-</b>
<b>22. The Amount of Hedged part of Foreign Exchange Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. The Amount of Hedged part of Foreign Exchange Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Export</b>	<b>1.175.158.271</b>	<b>236.105.648</b>	<b>196.199.295</b>	<b>24.649.872</b>	<b>-</b>
<b>25. Import</b>	<b>1.678.330.271</b>	<b>755.085.885</b>	<b>9.505.972</b>	<b>19.027</b>	<b>-</b>



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

December 31, 2013				
TL Value	USD	Euro	GBP	Other
248.389.994	89.657.553	19.084.960	282.193	-
15.834.178	6.624.738	357.869	200.162	-
-	-	-	-	-
4.748.831	2.078.187	99.868	5.722	-
<b>268.973.003</b>	<b>98.360.478</b>	<b>19.522.697</b>	<b>488.077</b>	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
32.302	-	11.000	-	-
<b>32.302</b>	<b>-</b>	<b>11.000</b>	<b>-</b>	-
<b>269.005.305</b>	<b>98.360.478</b>	<b>19.533.697</b>	<b>488.077</b>	-
28.603.175	12.265.194	763.881	51.955	-
288.375.074	83.915.325	31.134.653	5.082.784	-
-	-	-	-	-
2.123.190	615.558	140.221	113.244	-
<b>319.101.439</b>	<b>96.796.077</b>	<b>32.038.755</b>	<b>5.247.983</b>	-
-	-	-	-	-
25.360.974	5.000.000	5.002.375	-	-
-	-	-	-	-
-	-	-	-	-
<b>25.360.974</b>	<b>5.000.000</b>	<b>5.002.375</b>	<b>-</b>	-
<b>344.462.413</b>	<b>101.796.077</b>	<b>37.041.130</b>	<b>5.247.983</b>	-
(56.651.083)	<b>68.296.537</b>	<b>(61.900.000)</b>	<b>(5.880.000)</b>	-
234.920.416	104.895.833	3.760.000	-	-
(291.571.499)	(36.599.296)	(65.660.000)	(5.880.000)	-
<b>(132.108.191)</b>	<b>64.860.938</b>	<b>(79.407.433)</b>	<b>(10.639.906)</b>	-
(132.108.191)	<b>64.860.938</b>	<b>(79.407.433)</b>	<b>(10.639.906)</b>	-
-	-	-	-	-
-	-	-	-	-
<b>1.018.016.930</b>	252.765.308	177.913.707	30.051.000	-
<b>1.743.279.198</b>	908.840.120	11.326.178	22.099	-

## Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

### Notes to the Consolidated Financial Statements as of December 31, 2014

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

#### 38.5 Interest Rate Risk

Changes in interest rates create significant risks over financial results with due to the impact on interest sensitive assets and liabilities. These exposures are managed with in terms of amount and maturity between interest rate sensitive assets and liabilities.

In this context, matching of not only maturities of receivables and payables but also contractual repricing dates is crucial.

Fixed Interest Financial Instruments	December 31, 2014	December 31, 2013
Financial Assets	23.543.894	10.022.864
Financial Liabilities	(455.338.110)	(458.250.543)
<b>Variable Interest Financial Instruments</b>		
Financial Assets		
Financial Liabilities		

All financial liabilities are less than 1 year term loans. Group's portion of bank deposits is made use of time deposits. Time deposits and loans are fixed interest financial instruments; otherwise, their short term structure is sensitive to interest differences. Probable interest rate increase affects to the Group's net interest income-expense. This affect is measured by Sensitivity Analysis. If there is a 1% increase on TL interest rate and other variables are fixed as of December 31, 2014, loss before tax and non controlling interests will be less with the amount of TL 4.317.942. (December 31, 2013: TL 4.482.277)

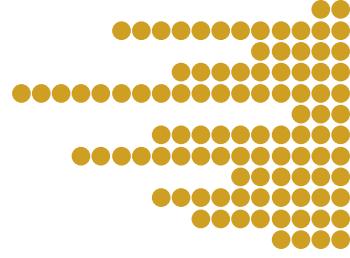
#### 38.6 Credit Risk Management

Possessing financial instruments has the risk of other party's in execution of liabilities resulting from agreement. Group's payment collection risk mostly arises from trade receivables. Trade receivables must be assessed in accordance with corporate policies and procedures for making net value of trade receivables after provision of doubtful receivables are classified. (**Note: 10**)

Group's credit risk is determined in the scope of determination of customer limits and is reported by limit determination committee which is composed of Group's senior management. In determinated procedure respect, is confirmed by controlling and analyzing.

Related to Receivables risk, domestic and foreign receivable insurance policies are available to compensate the risk losses which is substantiate.

Additively Global policies, other guarantee methods (Mortgages, Letter of Guarantee, DBS etc.) are applied for minimizing the receivable risk.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**CREDIT TYPES INCURRED IN RESPECT OF FINANCIAL INSTRUMENT TYPES**

December 31, 2014	Receivables				Bank Deposits	Notes		
	Trade Receivables		Other Receivables					
	Related	Other	Related	Other				
Maximum credit risk incurred as of the date of reporting (A+B+C+D)	1.165.439	359.418.079	-	37.289.119	56.684.299			
- <i>The part of maximum risk secured by guarantee etc.</i>	-	30.000.550	-	-	22	22		
A. Net book value of financial assets which are undue or which did not decline in value	1.165.439	359.418.079	-	37.289.119	10-11	56.684.299		
B. Net book value of assets, overdue but did not decline in value.	-	-	-	-	10-11	-		
- <i>The part secured by guarantee etc.</i>	-	-	-	-	10-11	6		
C. Net book values of assets declined in value	-	-	-	-	-	-		
- <i>Overdue (gross book value)</i>	-	10.323.255	-	-	10-11	-		
- <i>Decline in value (-)</i>	-	(10.323.255)	-	-	10-11	-		
- <i>The part of net value secured by guarantee etc.</i>	-	-	-	-	10-11	-		
- <i>Undue (gross book value)</i>	-	-	-	-	10-11	-		
- <i>Decline in value (-)</i>	-	-	-	-	10-11	-		
- <i>The part of net value secured by guarantee etc.</i>	-	-	-	-	10-11	-		
D. Elements containing credit risk off the balance sheet	-	-	-	-	-	-		

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

## **Notes to the Consolidated Financial Statements as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

## CREDIT TYPES INCURRED IN RESPECT OF FINANCIAL INSTRUMENT TYPES

December 31, 2013	Receivables				Bank Deposits	Notes		
	Trade Receivables		Other Receivables					
	Related	Other	Related	Other				
<b>Maximum credit risk incurred as of the date of reporting (A+B+C+D)</b>	<b>1.148.492</b>	<b>438.779.160</b>	<b>-</b>	<b>39.787.400</b>	<b>34.231.127</b>			
- The part of maximum risk secured by guarantee etc.	-	29.138.193			22	22		
<b>A. Net book value of financial assets which are undue or which did not decline in value</b>	<b>1.148.492</b>	<b>438.779.160</b>	<b>-</b>	<b>39.787.400</b>	<b>10-11</b>	<b>34.231.127</b>		
<b>B. Net book value of assets, overdue but did not decline in value.</b>	-	-	-	-	-	6		
- The part secured by guarantee etc.	-	-	-	-	10-11	-		
<b>C. Net book values of assets declined in value</b>	-	-	-	-	-	6		
- Overdue (gross book value)	79.606	10.032.082	-	-	10-11	-		
- Decline in value (-)	(79.606)	(10.032.082)	-	-	10-11	-		
- The part of net value secured by guarantee etc.	-	-	-	-	10-11	-		
- Undue (gross book value)	-	-	-	-	10-11	-		
- Decline in value (-)	-	-	-	-	10-11	-		
- The part of net value secured by guarantee etc.	-	-	-	-	10-11	-		
<b>D. Elements containing credit risk off the balance sheet</b>	-	-	-	-	-	6		

### *38.7 Liquidity Risk Management*

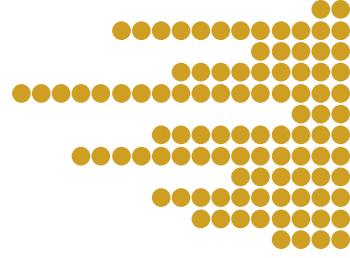
Group manages liquidity risk by matching maturities of assets and liabilities with regular control of cash flows and providing permanence in adequate funds and reserves.

## Liquidity Risk Statements

Liquidity risk management involves having adequate cash, and power of offsetting fund resources with adequate loan.

The risk of failure in settling financial liabilities is eliminated by managing the balance sheet and expected cash flows in harmony. In this context; the maturities of the financial liabilities are kept in line with the maturities of assets to eliminate any duration mismatch and in order to maintain short term liquidity, net working capital objectives are set and Group's balance sheet ratios (such as current ratio and acid test ratio) are aimed to be kept at particular levels.

Risk of funding current and future possible loan requirements should be managed by providing permanent access to adequate and quality loan providers.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

Following statement indicates maturity allocation of Group's derivative and non-derivative financial liabilities.

**December 31, 2014**

Expected Terms	Book Value	Cash Outflows				
		Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
<b>Non-derivative Financial Liabilities</b>						
Loans	455.338.110	465.757.203	181.106.629	256.928.449	27.722.125	-
Issued debt instrument	-	-	-	-	-	-
Financial Lease Liabilities	-	-	-	-	-	-
Trade Payables	37.533.667	37.749.546	37.690.938	58.608	-	-
Other Payables	4.119.857	4.119.857	4.119.857	-	-	-
-Related Parties	-	-	-	-	-	-
-Other	4.119.857	4.119.857	4.119.857	-	-	-
<b>Derivative Financial Instruments</b>						
Derivative Cash Flow	101.218.999	101.218.999	29.047.203	72.171.796	-	-
Derivative Cash Outflow	(100.034.497)	(100.034.497)	(28.450.952)	(71.583.545)	-	-
<b>Net Derivative Financial Instruments</b>	<b>1.184.502</b>	<b>1.184.502</b>	<b>596.251</b>	<b>588.251</b>	<b>-</b>	<b>-</b>

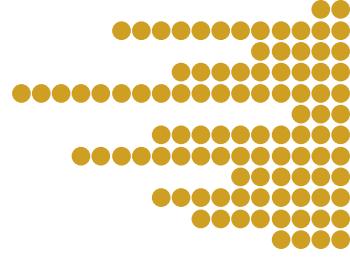
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**December 31, 2013**

Expected Terms	Book Value	Cash Outflows				More than 5 Years
		Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	
<b>Non-derivative Financial Liabilities</b>						
Loans	527.006.347	457.279.806	534.200.523	270.491.838	236.286.252	27.422.433
Issued debt instrument	-	-	-	-	-	-
Financial Lease Liabilities	970.737	64.008.634	1.005.951	376.775	629.176	-
Trade Payables	4.747.170	81.650	64.776.765	64.714.596	62.169	-
Other Payables	4.665.520	4.665.520	4.747.170	4.747.170	-	-
-Related Parties	81.650	81.650	81.650	81.650	-	-
-Other	4.665.520	4.665.520	4.665.520	4.665.520	-	-
<b>Derivative Financial Instruments</b>						
Derivative Cash Flow	302.878.012	(304.171.499)	302.878.012	74.894.325	180.064.487	47.919.200
Derivative Cash Outflow	(304.171.499)	(304.171.499)	(304.171.499)	(75.587.219)	(181.766.880)	(46.817.400)
Net Derivative Financial Instruments	(1.293.487)	(1.293.487)	(1.293.487)	(692.894)	(1.702.393)	1.101.800



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

**Notes to the Consolidated Financial Statements  
as of December 31, 2014**

(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

**38.8 Other Risks**

Raw Materials Price Change Risk

A significant portion of Group's cost is copper price, its price is variable and determined by world's markets. Group's aim to balance to price and maturity models to harmony for the goods which are purchased and sold in order to hedging price change risks. Long term customers price fixing demands apart from these models are managed by hedging transactions.

Not only copper hedging transactions but also stannum, nickel and aluminum and other metals which are faced to price change risk in costs hedging transactions are made.

Stocks, etc. Related to Financial Instruments Risks

None.

Operational Risks

Operational risks are evaluated beginning of raw material procurement, production, selling and after sale as all inclusive. In order to Group's achieve the short and long term aims which is consist of strategic, operational, financial and other factors are evaluated from stage of board to every stage of organization. In this context, Risk Management Committee is maintain its operations to determine, evaluate, manage and report strategic, financial, operational risks etc., which are affect the group taking into consideration the decision mechanism in order to advising and making suggestion to board.

**NOTE 39 FINANCIAL INSTRUMENTS (DECLARATIONS WITHIN THE CONTEXT OF FAIR VALUE AND HEDGING)**

Group claims that book values of financial instruments reflect fair values.

Objectives of Financial Risk Management

Group's department of Finance is responsible for adequate access to financial market and managing financial risks arises from operational activities of Group. Financial risks of operation contain market risk (currency rate risk, fair value of interest risk and price risk), loan risk, liquidity risk and cash flow interest rate risk.

In order to decrease the effect of risk and avoiding financial risk, Group uses forward foreign currency transaction agreements as a financial instrument. The group has option transactions in order to reduce the foreign currency risk and to finalize these risks that can occur in market.

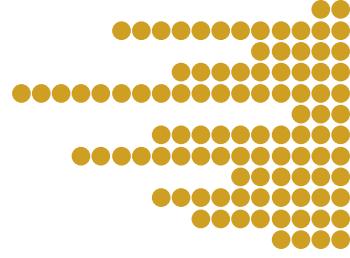
#### **NOTE 40 EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE**

Disagreement arising from labor agreement between member of employer's union Türkiye Metal Sanayicileri Sendikası MESS and authorized labour union Birleşik Metal-Work Union, as a result of this disagreement strike decision is made by Birleşik Metal-Work Union on January 14, 2015 for our company and related decision text has arrived and announced in company its subject to go on strike on January 29, 2015. Union performed the strike decision on January 29, 2015. In accordance with cabinet dated January 30, 2014 repeated no.29252 with cabinet decree which is published in official gazette no.2015/7521, applied strike in the companies include our company, is delayed for 60 days due to national security defect.

Lock-Out decision is made as of January 22, 2015 by member of Employer's Union MESS, if necessary to determine after the exercise date. According to code, lock-out could be applied in 60 days only if lock-out state to counter party 6 days in advance.

#### **NOTE 41 OTHER ISSUES**

Labor agreement negotiations between member of employer's union Türkiye Metal Sanayicileri Sendikası MESS and authorized labour union Birleşik Metal-Work Union are still going on in scope of for the new period September 1, 2014-August 31, 2016.



## Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi Amendment of Articles of Association (Annex-1)

OLD TEXT	NEW TEXT
<p><b>MANAGEMENT AND REPRESENTATION</b></p> <p><b>Article 10-</b> The management and outside representation of the company is carried out by the board of directors.</p> <p>The board of directors may, partly or entirely, delegate the management to several board members based on an internal directive it shall issue.</p> <p>In order that all documents to be delivered and contracts to be concluded by the company to be valid, they should bear the signatures of at least two persons authorized to bind the company which have to be appended under the corporate title.</p> <p>The board of directors can delegate its representation authority to one or several managing directors or third parties who are directors.</p>	<p><b>MANAGEMENT AND REPRESENTATION</b></p> <p><b>Article 10-</b> The management and outside representation of the company is carried out by the board of directors. In order that all documents to be delivered and contracts to be concluded by the company to be valid, they should bear the signatures of at least two persons authorized to bind the company which have to be appended under the corporate title.</p> <p>Pursuant to article 367 of Turkish Commercial Code, the board of directors may, partly or entirely, delegate the management to one or several board members or third parties based on an internal directive it shall issue.</p> <p>Pursuant to article 370 of Turkish Commercial Code, the board of directors can delegate its representation authority to one or several managing directors or third parties who are directors. At least one board member should have representation authority.</p> <p>The board of directors may delegate board members who do not have representation authority or those who work for the company under a labour contract as commercial agents or other associate merchants who have limited authority. The duties and authorities of such appointed persons shall be explicitly determined in the internal directive to be issued pursuant to article 367. In this case the registration and announcement of the internal directive is mandatory. Commercial agents or other associate merchants may not be appointed with an internal directive. The commercial agents or other associate merchants who are authorized are registered and announced before the trade registry office. The board of directors is severally responsible for all kinds of losses caused by such persons to the company and third parties.</p>

## Directory

<b>Head Office</b>		<b>Subsidiaries and Affiliates</b>		<b>Bemka Emaye Bobin Teli ve Kablo Sanayi A.Ş.</b>	
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Fax	(90 262) 676 66 80 (90 262) 676 66 81 (90 262) 676 66 83				
E-mail	info@sarkusan.com				
Web Site	www.sarkusan.com				
<b>Factory</b>		<b>Demisaş Döküm Emaye Mamulleri San. A.Ş.</b>		<b>Head Office and Tuzla Factory</b>	
Address	Beylikbağı Mahallesi Çelikoğlu Caddesi No: 155 41401 Gebze / KOCAELİ	Address	Emek Mahallesi Aşiroğlu Caddesi No: 147 41700 Darıca / KOCAELİ	Address	Birlik Organize Sanayi Bölgesi Batı Caddesi No: 4 34953 Tuzla / İSTANBUL
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Fax	(90 262) 653 27 52 (7 lines) (90 262) 653 45 07 (4 lines)	Fax	(90 262) 677 46 99	Fax	(90 216) 593 27 33
E-mail	plant@sarkusan.com	Web Site	www.demisas.com.tr	E-mail	info@bemkawire.com.tr
				Web Site	www.bemkawire.com.tr
<b>Sales Store</b>		<b>Factory</b>		<b>Gebze Factory</b>	
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Fax	(90 212) 221 98 77	Fax	(90 228) 233 12 46	Fax	(90 262) 654 29 85
E-mail	skspers@sarkusan.com	E-mail	info@demisas.com.tr		
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		Tel	(90 262) 653 90 82 (pbx)	Tel	(49 51) 97811790
		Fax	(90 262) 653 90 89	Fax	(49 51) 97811797
		E-mail	info@sarmakina.com.tr		
		Web Site	www.sarmakina.com.tr		
<b>Aegean Free Zone Branch</b>		<b>Sarda Dağıtım ve Tic. A.Ş.</b>		<b>Italy Office</b>	
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Tel	(90 232) 251 57 51	Tel	(90 212) 252 88 34 (pbx)	Tel	(39 2) 34592237
Fax	(90 232) 258 00 26	Fax	(90 212) 251 25 24	Fax	(39 2) 34592189
E-mail	sksege@sarkusan.com	E-mail	sarda@sarkusan.com	E-mail	bemka@bemka.it
<b>Representative Office</b>		<b>Bektaş Bakır Emaye Kablo San. ve Tic. A.Ş.</b>		<b>Sark - USA, Inc.</b>	
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		Fax	(90 262) 676 66 85	Fax	(1 518) 453 4166
		E-mail	bektasemaye@sarkusan.com	E-mail	marketing@sark-usa.com
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<b>Sarkusan S.P.A.</b>		<b>Sark Wire Corp.</b>		<b>Sark Wire Corp.</b>	
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