Annual Report 2013

EGE PROFİL
TİCARET VE SANAYİ A.Ş.

Table of contents

Chapter 1
General Information 5

Chapter 2
Executive Benefits 21

Chapter 3
Reserch and Development Activities 22

Chapter 4
Company Operations and Significant Developments 23

Chapter 5
Financial Position 31

Chapter 6
Financial Statements for the year ended December 31, 2013 and Independent Auditor's Report 32

Chapter 7
Other Matters 107

Chapter 8
Activity Reports of the Parent Company of the Group 108

Chapter 9
Corporate Governance Principles Observance Report 109

Ergün Çiçekci
General Manager

Dear Investors,

Although our start to 2013 was a stable one, a short lasting increase in the prices of raw materials followed by the depreciation of the Turkish Lira has started to lead the industry through a rough period.

This was an unfavorable situation encountered in the local market which we tried to compensate for through growth in our exports. In the process of accelerating our work that we had already started in India and Chile, we completed our investments and activated our warehouses in order to strengthen our position in both countries, increase our market share, and to reinforce our sales and distribution network.

Chile is a country known to hold a strategic position in terms of transportation to the Central and South American countries where the predominant language is Spanish. As a result of the relevant plans we made in the second half of the year, our sales target was successfully achieved by our sales organization in Chile. In India, meanwhile, we were welcomed with such a high demand and interest that we needed to move to a larger warehouse, which we have recently have done.

For the purpose of advising our local dealers about the new products to be launched while also listening to their suggestions and requests, we held various regional dealer meetings with Egepen Deceuninck and general dealer meetings with Winsa, all of which were highly successful.

One of the most significant innovations we achieved this year was the "Winsa Alüminyum" brand that we launched in the second half of the year. The Winsa Alüminyum brand will be used in work places, offices, and high rise building projects in parallel with the rising demand for aluminum joinery profiles.

Within the scope of our corporate social responsibility project, we had the doors and windows of 5 primary schools in İzmir and its neighboring districts replaced with heat insulated PVC windows and doors during the last quarter of the year. It is our intention to standardize and spread out such work to schools in other regions of the country.
In order to increase customer satisfaction and provide quality products and services on a larger scale, we arranged for our dealers a large number of training sessions for both brands. The trainings were on assembly issues, TSE, ISO, and CE. To that end, a Marketing and Sales Technical Support Department has been formed within Egepen Deceuninck, and a Showroom and a Sales Academy within Winsa.

In 2013, we also continued with the EFQM, Kaisen and Lean Manufacturing work that we put into practice a few years ago in pursuit of "excellent and high-quality service".

Our main corporate objective is to achieve sustainable employee and customer satisfaction achieved through relations based on mutual trust. In this respect, I believe that the high performance, solid employment structure, collaboration, and success that we achieved in 2013 will continue in the coming year.

I would hereby like to thank our employees and shareholders for their support and efforts.

Sincerely,

Tamer Özen

Marketing and Sales Manager (Egepen Deceuninck)

As foreign currency is at a new record-breaking high point and exchange rates continue fluctuating, our long term plans are inevitably affected. The recession we experienced in the market during the first few months of 2013 was a warning sign for the current situation. In the second half of the year, the market was still shrinking although it seemed to have maintained its normal levels. The sudden shifts in Turkey's political agenda were also a significant reason for the sudden fluctuations.

The market competition reached such a high level during the year that it became very difficult for the brands to maintain a cost / price balance. However, even under these conditions, our brand achieved a sustained growth rate. We, as Egepen Decuninck, never compromised on our formula or product quality. We are able to address different customer groups in the PVC profile market and we can meet their requirements, thanks to our Egepen Deceuninck and Flora brands.

We became a sought-after brand despite being up against competitive prices in the market. Together with our dealers, we tried as best as we could to work through this situation during the year. We realized 10 regional dealer meetings in 8 cities during the year. In these meetings, we advised our dealers on the new products to be launched and we listened to their suggestions and requests. At meetings we also gave feedback to one another in order to find ways of becoming more competitive.

Within the scope of our corporate social responsibility project, we had the doors and windows of 5 primary schools in İzmir and its neighboring districts (Halil Atila İlköğretim Okulu, Mustafa Kemal Ortaokulu, Cevdet Güçlüer İlköğretim Okulu, Hüseyin Sarı İlköğretim Okulu ve Arpaseki Ortaokulu) replaced with heat insulated PVC doors and windows.

In a survey carried out by 'GFK Türkiye' together with 'Capital Dergisi' in relation to the top 3 favorite brands in 42 sectors, we experienced the pride of ranking second in 2013. After launching our Hebeschiebe 76 series, we provided relevant training sessions to our dealers in groups and to individuals in various cities, mostly in Istanbul and Adana. With the feedback obtained from our regional offices, we focused our investments on product groups which are most sought after in the market in order to become more competitive in 2014. Taking courage from our success in 2013, my team and I have set an even more aggressive sales policy in 2014.

We will be increasing our production and logistics capacity by means of our new manufacturing plant which will start to operate within the next few years in Menemen on land covering an area of 100.000 m^2. This further attests to the fact that we will continue supplying the market with high-quality services and products, and moreover, we will literally be the "Window of Turkey". Our brand is also known to represent the highest quality products in the PVC blind/shutter market. With our Marketing and Sales Technical Support Office recently established within our organization in 2013, we will be providing more support to our dealers in respect of compliance with TSE, ISO, and CE. Thus we will be providing higher quality products and services to the end consumer. Unless we experience unexpected economical and political turbulence, our Egepen Deceuninck and Flora brands will be growing even more during the remaining months of 2014.

Sincerely,

Vehbi Cem Korkmaz

Marketing and Sales Manager (Winsa)

Having celebrated our 15th anniversary, we, as the Winsa family, are proud and glad that we have attained an exceptional position in the sector in 2013, without compromising on our brand value and quality.

Despite challenging state sector expenditures and investments in construction, growth figures for the construction industry turned out to be twice as high as the growth figures for the overall Turkish economy.

The effects of the global crisis began to wane while the US real estate and construction market started to recover. In Europe, there is still no growth in the housing and construction sector to date; however, shrinkage has slowed down, which is a positive signal for the future. Winsa brand has sustained the growth trend achieved in previous years and succeeded in reaching 12% growth in 2013. This sustained growth is the outcome of our high performance and success coupled with close monitoring of the latest developments in the sector, meeting the continuously changing customer expectations, and our dedicated work that we perform as expert individuals of the Winsa family.

In 2013, Winsa's commercial film "Hayat Nereden Baktığındır" was broadcasted on TV and radio channels for its 15th anniversary. The Winsa family got together in Antalya to celebrate their 15th birthday at a dealers meeting organized for 700 people including manufacturers and dealers from all over the country.

The number of Winsa showrooms has now reached a total of 550 and these showrooms provide the corporate identity which in turn comprises the most significant sales point.

New product investments also continued in 2013 and the Panorama HS76, which is a new 76 mm HBSB system was launched, offered to customers, and new arrangements were made in the series in line with the demand received. Our effort to carefully monitor and meet customer requirements is one of the main reasons for the current positioning of the Winsa brand.

We have recently launched the "Winsa Aluminum Joinery Systems" taking into consideration the increasing demand for aluminum systems in the construction of high rise office buildings and shopping malls the share of which has rapidly increased within the overall construction sector during recent years.

Having followed closely the agenda and developments related to energy efficiency, heat loss and heat values, Winsa started up R&D studies to implement leading and innovative applications in the sector and began preparations to launch a new product series which will be a first in Turkey. For the purpose of achieving permanent customer satisfaction and correct management of all processes from assembly to the point of sales, we have planned various trainings and established a Showroom and a Sales Academy.

The political uncertainty experienced especially during the last days of the year has resulted in a decrease in the real sector and customer demand. Taking into consideration this reality in its future plans, Winsa continues its operations without compromising on its sustained growth, core values, customer satisfaction and concept of quality.

Sincerely,

Name	: Ege Profil Ticaret ve Sanayi A.Ş.
Reporting Period	: January 1 - December 31, 2013
Upper Limit of Registered Capital	: 120.000.000,00 TL
Issued Capital	: 59.566.900,00 TL
Date of Registration	: January 13, 1981, Turkey
Head Office	: Atatürk Organize Sanayi Bölgesi 10003 Sok. No: 5 Çiğli - İzmir
Tax Office & Tax ID Number	: Hasan Tahsin & 325 005 4933
Trade Registration Number	: Karşıyaka 10289 / K-2159
Trade Registration Office	: İzmir
Corporate Website	: www.egeprofil.com.tr
Manufacturing Plant	: **İzmir Factory** Atatürk Organize Sanayi Bölgesi 10003 Sok. No: 5 Çiğli - İzmir T. +90 232 398 98 98 F. +90 232 398 99 00
Manufacturing Plant	: **İzmit (Kocaeli) Factory** Sarımeşe Beldesi, Kızılcıklık Mah. Suadiye Yolu Üzeri No:1 İzmit (Kocaeli) T. +90 262 371 57 27 F. +90 262 371 57 28
India Branch	523 B Block, Mannur Village Sriperumpudur Taluk Chennai 602 105 INDIA T. + 91 44 712 20 222 F. +91 44 712 20 200
Chile (Subsidiary)	: Centro Industrial Lo Boza 3G-3H Volcan Lascar 801 Pudahel Santiago / CHILI Tel & Fax No: +56951498754

Principal Activity and General Information About Ege Profil

Ege Profil Ticaret ve Sanayi A.Ş. (the Company) is a company registered in İzmir. The principal avtivity of the Company is manufacturing and sale of all types of plastic pipes, spare parts and all types of profiles and plastic goods.

Having been established in 1981, Ege Profil , the leader of the Turkish PVC Profile Sector, continues its investment activities empowered by its brand history over a quarter of a century. The dynamics of the sector have changed significantly following acquisition of the majority shares of our Company by the Deceuninck Group, the largest PVC Profile producer in the world, in 2000.

The confidence and market know-how associated with the Egepen brand; integrated with the customer-oriented approach, high technology and quality mindset of the Deceuninck Group.

Deceuninck NV, a worldwide integrated group, is specialized in compound, design, development, extrusion, finishing and recycling areas. The Group summarizes its quality and service approach as ‘passion to accomplish perfection’.

Ege Profil has shown an outstanding performance since 2001, achieving a continuous growth. This success is mainly fueled by the market know-how and the employee motivation achieved. In the company where a flat organization structure is adopted, employees of all levels are encouraged by the management in taking initiatives, as well as authority and responsibility sharing.

The young and dynamic personnel of Ege Profil continue to set trends in the Turkish market in accordance with the global leadership mission of Deceuninck.

Training opportunities provided to the employees, emphasis placed on R&D activities, quality policies adopted, and the large know-how sharing ensure the success of the Group.

Our Company operates in the PVC profile sector under two brands, namely Egepen Deceuninck and Winsa. The two brands have their own individual products, production facilities and sales-marketing channels. The facility in İzmir, with its indoor area of 15,000 sqm and a machinery park of a capacity of 50,000 tons, is dedicated to the production of the Egepen Deceuninck products, with quality of worldwide standards and utilizing environment friendly processes, whereas the Kocaeli (İzmit) plant is dedicated to the Winsa products with an indoor area of 16,000 sqm^2 and a machinery park with a capacity of 15,000 tons. Moreover, both brands have individual Regional Directorates in İzmir, İstanbul, Ankara and Adana.

Egepen Deceuninck and Winsa brands are offered domestically through a wide dealer network, thus end-users have easy access to the products. The customer expectations are met at the utmost level through new products and technological developments, dealer training seminars, applied business administration training programs and technical publications.

Our Company, having the widest product range in the sector, continues its production activities using more than 300 types of in-house developed PVC profile molds. Our growing sales volume, bolstered by the confidence of our dealers in their brands and their efforts to meet customer expectations, ensure our dominance over our competitors.

Import and export transactions are realized with countries in Europe, America, Asia, Africa, and Australia.

Our Mission, Vision and Strategic Targets

For a Sustainable Future,

Our Core Purpose

Innovation
We are here to bring you high-quality innovative products developed through our science and know-how with the support of our expert team for the purpose of improving your comfort. We work hard to protect you and your loved ones from adverse weather conditions. We follow the latest technology to supply our new products. Our systems are easy to manufacture, easy to install and easy to maintain. All of our products are manufactured to meet your expectations at the highest level and provide maximum customer satisfaction.

Ecology
We are here to help our customers construct buildings that are more energy-efficient. We create long lasting, low maintenance building products with top insulating properties. Our products are created with the lowest ecological footprint and can be fully recycled at end of life.

Design
We are here to help you to express your own style, in the architecture and the beauty of your living premises. We offer to meet your expectations a large range of colours including colors of nature and a timeless design with natural texture and unique surface finishes.

Our Employees and Our Customers
We are here to build a transparent, honest, and friendly working environment for our employees and our customers in that we aim to keep customer satisfaction at its highest level by creating sustainable business relations. We work with team spirit putting emphasis on quality, security, environment and people.

Our Core Values

Candour
We tell the whole truth, we are open and frank. We give straight-between-the-eyes feedback, while respecting our counterpart. We act as one team. We honestly admit mistakes or defend our values whilst taking corrective and preventive measures. We say what we mean and we mean what we say: that is our authenticity.

Top Performance
Performance is measured by our people, our Customers, our community, and our shareholders, on regular basis. We preserve our core purpose and values whilst striving for continuous improvement. We say what we do and we do what we say: that is our accountability and discipline. When confronted with a choice, we choose in the following order: People (Health and Safety), Planet (Environment and Ecological Footprint), Quality, Service, Profit - PPQSP Profit is essential to build a sustainable business. We work with increasing performance in all processes from production to after-sales operations.

Entrepreneurship
We are open to the world, open to other ideas. We strive for innovation. Trust is given, we embrace taking calculated risks and initiatives. We think like an owner. We respect and reward our people for making decisions and taking ownership.

Our Ambition

Our Culture
Our reputation is the result of our culture: people are proud to work at Deceuninck and live the values of Candor, Top Performance and Entrepreneurship.

Sustainable and Environment-Friendly Products
We create top insulating, long lasting, durable high-quality building products that can be fully recycled at end of life.

Industrial Leadership
Our Company has a voice in the market resulting in substantial market share and a top 3 market position. We offer Top Performance in Quality and Service through trusted Customer partnerships.

Financial Sustainability
The Company is financially sustainable. We translate our actions into financial goals, and we reach them.

Share Capital and Shareholders Structure

Ege Profil Ticaret ve Sanayi A.Ş. (the Parent Company) is a company registered in Izmir. The principal avtivity of the Parent Company is manufacturing and sale of all types of plastic pipes, spare parts and all types of profiles and plastic goods.

The address of the Parent Company is as follows:

Atatürk Organize Sanayi Bölgesi, 10003 Sokak, No:5, Çiğli - İzmir

As of December 31, 2013 and December 31, 2012, the shareholding structure of the Parent Company is as follows:

	December 31, 2013	December 31, 2012
Name	Shareholding	Shareholding
Deceuninck N.V.	%97,54	%97,54
Public offering	%2,46	%2,46
Total	%100,00	%100,00

As of December 31, 2013, 2,46% of the Parent shares are traded on Istanbul Stock Exchange.

Paid-in capital:
As of December 31, 2013 and 2012, the Company's share capital and shareholding structure is as follows:

	December 31, 2013		December 31, 2012	
	TL	Share (%)	TL	Share (%)
Deceuninck	58.100.520	% 97,54	58.100.520	% 97,54
Public offering	1.466.380	% 2,46	1.466.380	% 2,46
Paid-in capital stated in legal books	59.566.900	100,00	59.566.900	100,00
Restatement difference	7.840.703		7.840.703	
	67.407.603		67.407.603	

For the purpose of extending the terms of its financial liabilities to 4-5 years and increasing its share capital, Deceuninck NV entered into a Share Pledge Agreement on September 11, 2009 and accordingly created a pledge in favor of Fortis Bank NV/SA acting as security agent, on a total of 16.980.361,712 shares of TL 0,01 nominal value each owned by Deceuninck NV and representing 28,5063% of the Company's share capital as at September 15, 2009 and on a total of 41.120.158,313 shares of TL 0,01 nominal value each owned by Deceuninck NV and representing 69,0318% of the Company's share capital as of September 16, 2009. Accordingly, there is share pledge by Fortis Bank NV/SA on approximately 97,5382% of the Company's share capital.

In respect of the amendment of the Share Pledge Agreement dated September 11, 2009 amended by the agreement dated July 16, 2012 to obtain Euro 140.000.000 refinancing; Deceuninck NV acting as loan receiver pledged 58,100,520 shares representing 97,5382% of the Company's share capital in favor of Fortis Bank NV/SA acting as security agent in accordance with the Share Pledge Agreement signed on August 16, 2012.

As of December 31, 2013 and 2012, number of employees by category is as follows:

	December 31, 2013	December 31, 2012
White-collar	167	149
Blue-collar	505	466
	672	615

Executive Management and Inspection Board

Members of management and inspection boards were determined at the ordinary general meeting of the shareholders held on June 5, 2013; and they were elected to serve until the next ordinary general meeting to be held in relation to the 2013 activities.

Executive Board

Clement Edmont De Meersman	Chairman of the Executive Board
Tom A. Debusschere	Executive Board Member
Ergün Çiçekci	Executive Board Member
Marcel Klepfisch	Executive Board Member (Independent Member)
Yasemin Ünlü Romano	Executive Board Member (Independent Member)

Audit Committee

Marcel Klepfisch	Executive Board Member (Independent Member)
Yasemin Ünlü Romano	Executive Board Member (Independent Member)

Early Detection of Risk Committee

Clement Edmont De Meersman	CEO
Marcel Klepfisch	Executive Board Member (Independent Member)
Koen Kurt Vergote	Financial Analysis and Budget Manager
Nurcan Güngör	Finance and Accounting Manager

Corporate Governance Committee

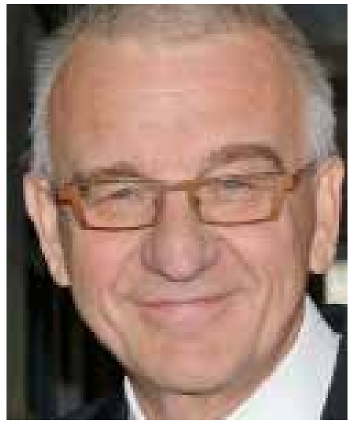
Marcel Klepfisch	Executive Board Member (Independent Member)
Tom A. Debusschere	Executive Board Member

Independent Audit Company and Partner in Charge

BDO Denet Bağımsız Denetim YMM A.Ş.

Bülent Üstünel	Partner in Charge

The Curricula Vitae of the Members of the Board of Directors



Clement Edmond De Meersman

Prof. Dr. Ir. Clement E. De Meersman

Clement de Meersman graduated as a Civil Engineer; he holds a degree in Electromechanical Engineering from KU Leuven and a doctorate in applied sciences from the same university. He began his career as an assistant professor before pursuing a career at the international tyre and technical product manufacturer, Michelin based in France.

He left this job to join the Dutch DSM Group for a period of 8 years, and served as a business unit director in charge of R&D and sale of plastic materials, composites and high-performance products for the transport and automotive industry.

In 1994, he became Chief Executive Officer of Deceuninck NV.

From 2009 to 2011, he served as the Deceuninck NV board member responsible from special projects. As of 2011, he became the CEO of Deceuninck Turkey, Deceuninck North America and Deceuninck Ireland.

Furthermore, he is a member of the boards of directors of Elia, ANL, Verhelst, Rf-T, PlasticVision, Lano, Darvan, and Smartroof.

Prof. Clement De Meersman currently tutors in strategy, innovation and leadership at KU Leuven University.

Tom Debusschere

Tom Debusschere Comm. V, CEO permanent representative

Tom Debusschere is a Civil Engineer in Electro-Mechanics with an additional postgraduate degree in ‘Industrial Engineering’. He started his career in 1992 as Logistics Manager at Deceuninck. Starting in 1995, he worked for 9 years at the American division, Dayton Technologies, where he became Vice President Operations.

In 2004, he moved to the Belgian Unilin Group as head of the division Unilin Decor, a supplier of furniture components part of the Mohawk Group.

He was appointed Vice President Marketing & Sales of Deceuninck on 1 December 2008.

He was appointed Chief Executive Officer of Deceuninck by the Board of Directors on February 6, 2009. He is currently Member of the Belgian commission for Corporate Governance, and holds board positions at EPPA (European PVC Window Profile and Related Building Products Association), EuPC (European Plastics Converters) and Essenscia (Belgian association of chemistry and life sciences).

Ergün Çiçekci

Ergün Çiçekci was born in Ödemiş, in 1954.

Ergün Çiçekci has a degree in Mechanical Engineering from Istanbul Technical University (1975) and obtained a Master of Science Degree from Aston University (Birmingham, 1979).

After completing his military service in 1981, he started to work in PVC industry and moved to the Mazhar Zorlu Group where he took up various functions and responsibilities.

Starting from 1994, he has continued his career as the General Manager of Ege Profil A.Ş.

Ergün Çiçekci is a member of the Board of Directors since 2001.

Marcel Klepfisch Sarl

(Independent Member)

Marcel Klepfisch SARL permanent representative

Marcel Klepfisch graduated from the University of Antwerp – Faculty of Commercial Engineering.

Having an extensive experience in crisis management, Kelpfisch became the Chief Restructuring Manager of Deceuninck NV in 2009.

He took up the positions of the Chief Executive Officer at Ilford Imaging, member of the Executive Committee at Vickers Plc, Chief Financial Officer of BTR Power Drives and Chairman of the Board of Directors of Pack2Pack.

He is currently a member of the Management Advisory Board of Tower Brook in London, the Chairman of the Board of Directors of Volution in the UK, and the Chairman of the GSE Group in France.

Declaration of Independent Board Member - Marcel Klepfisch SARL

(Independent Member)

I hereby declare that I stand as a candidate "independent member" of the Board of Directors of Ege Profil Ticaret ve Sanayi Anonim Şirketi and I meet the prerequisites of relevant legislation, the Articles of Association, and the Corporate Governance Principles published by the Capital Markets Board of Turkey specified below.

a) There is no direct or indirect employment, capital or significant trade relationships established between the Company, a related party of the Company, legal persons having relationships pertaining to the Company's administration or share capital with shareholders having an ownership of 5% or more in the Company; and me, my spouse and my third degree relatives;

b) I have not been an employee or a board member during the last five years in companies which act as external auditors, corporate rating or consulting agencies of the Company or those that monitor all or part of the company's operations and organization on contractual basis;

c) I have not been a partner, employee or a board member in any of the companies supplying significant amount of service or products to the Company during the last five years.

d) My shareholding rate in the Company is less than 1% and I do not hold any preferred shares / I do not hold shares of the Company's share capital.

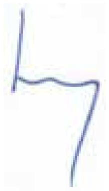
e) As disclosed in my curriculum vitae, I have the professional training, knowledge and experience to fulfill my duties as an independent member of the Board of Directors.

f) I currently do not have a full-time occupation at public institutions.

g) I can make positive contributions to the Company; I represent that I shall stay impartial in conflicts of interest among shareholders of the Company, and I have strong ethical standards and the professional reputation and experience that will allow me to take decisions independently, placing emphasis on the beneficiaries' rights.

h) I shall allow time to business issues to the extent that I can monitor the Company's operations and fulfill my obligations related to the tasks that I undertake.

Marcel Klepfisch



Yasemin Ünlü Romano

(Independent Board Member)

Yasemin Ünlü Romano was born in 1970 in Istanbul. She graduated from the Boğaziçi University - Faculty of Sociology, BA, in 1994 after which she obtained her MBA degree from the University of San Diego in the United States in 1996.

In the period 1996 - 2000, she started her career as the Product Manager at Nestlé SA; in 2000 - 2006, she took up the position of the Brand Manager and the Brand Development Manager responsible from Strategic Marketing, Communication and Innovation at Unilever where she became a team member of Algida Europe.

In 2006, she joined Ülker group as the Marketing Director responsible from the category of Milk and Dairy products. In 2012, she joined Sütaş Group as the Assistant Director of Marketing responsible from the Category in Turkey and the Marketing activities in the Balkans.

Yasemin Ünlü Romano is married and has 2 children.

Declaration of Independent Board Member - Yasemin Ünlü Romano

(Independent Member)

I hereby declare that I stand as a candidate “independent member” of the Board of Directors of Ege Profil Ticaret Ve Sanayi Anonim Şirketi and I meet the prerequisites of relevant legislation, the Articles of Association, and the Corporate Governance Principles published by the Capital Markets Board of Turkey specified below.

a) There is no direct or indirect employment, capital or significant trade relationships established between the Company, a related party of the Company, legal persons having relationships pertaining to the Company’s administration or share capital with shareholders having an ownership of 5% or more in the Company; AND me, my spouse and my third degree relatives;

b) I have not been an employee or a board member during the last five years in companies which act as external auditors, corporate rating or consulting agencies of the Company or those that monitor all or part of the company’s operations and organization on contractual basis;

c) I have not been a partner, employee or a board member in any of the companies supplying significant amount of service or products to the Company during the last five years.

d) My shareholding rate in the Company is less than 1% and I do not hold any preferred shares / I do not hold shares of the Company’s share capital.

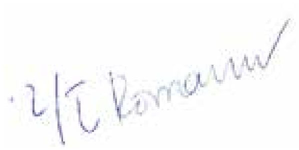
e) As disclosed in my curriculum vitae, I have the professional training, knowledge and experience to fulfill my duties as an independent member of the Board of Directors.

f) I currently do not have a full-time occupation at public institutions.

g) I can make positive contributions to the Company; I represent that I shall stay impartial in conflicts of interest among shareholders of the Company, and I have strong ethical standards and the professional reputation and experience that will allow me to take decisions independently, placing emphasis on the beneficiaries’ rights.

h) I shall allow time to business issues to the extent that I can monitor the Company’s operations and fulfill my obligations related to the tasks that I undertake.

Yasemin Ünlü Romano



Prohibition of Transaction and Competition by Board Members

Although there are no prohibitions stated in the Company’s Articles of Association in respect of competition and transactions with the Company, the Chairman of the Board and the Board members are not allowed to carry out any direct or indirect transactions with the Company in their own names or on behalf of third parties without permission of the General Meeting. In the event of any transaction detected, the relevant provisions of the Turkish Commercial Code are applied.

Upon proposals made at the General Meeting of Shareholders of our Company, resolution is made to authorize the Board members in accordance with the Articles 395 and 396 of the Turkish Commercial Code.

In 2013, the Board members have neither realized any transactions related to the Company, nor made any attempt to engage in such businesses that fall within the scope of activities of the Company.

Chapter 2
Executive Benefits

Qualifications of Board Members; and Powers and Duties of Directors

In the Articles of Association, there are no provisions related to election criteria of board members; however, all of our current Board members have the qualifications defined by the Corporate Governance Principles. On the other hand, there are provisions regarding powers and duties of the Board of Directors. Although other managers' powers and responsibilities are not stated in the Articles of Association, job definitions are made for all employees in general, including top executives, to define their powers and duties.

Our Company's top executives and assignment of duties are as follow:

Ergün ÇİÇEKCİ	Board Member and General Manager
Nurcan GÜNGÖR	Finance and Accounting Manager
Hüseyin KARAAHMET	Logistics and Purchasing Manager
Koen Kurt VERGOTE	Financial Analysis and Budget Manager
Tamer ÖZEN	Marketing and Sales Manager (Egepen Deceuninck)
Vehbi Cem KORKMAZ	Marketing and Sales Manager (Winsa)
Ethem GÖKMEN	Business Manager and KYS Representative (Egepen Deceuninck)
Nuri ASLAN	Factory Manager (Winsa)
Ernis ALCA	General Manager Consultant (Egepen Deceuninck)
Moez MOHAMMEDALI	Export Sales and Operations Manager (Egepen Deceuninck)
Ziynet GİTMEZ	Human Resources Manager

Remuneration Provided to the Board Members and Top Executives

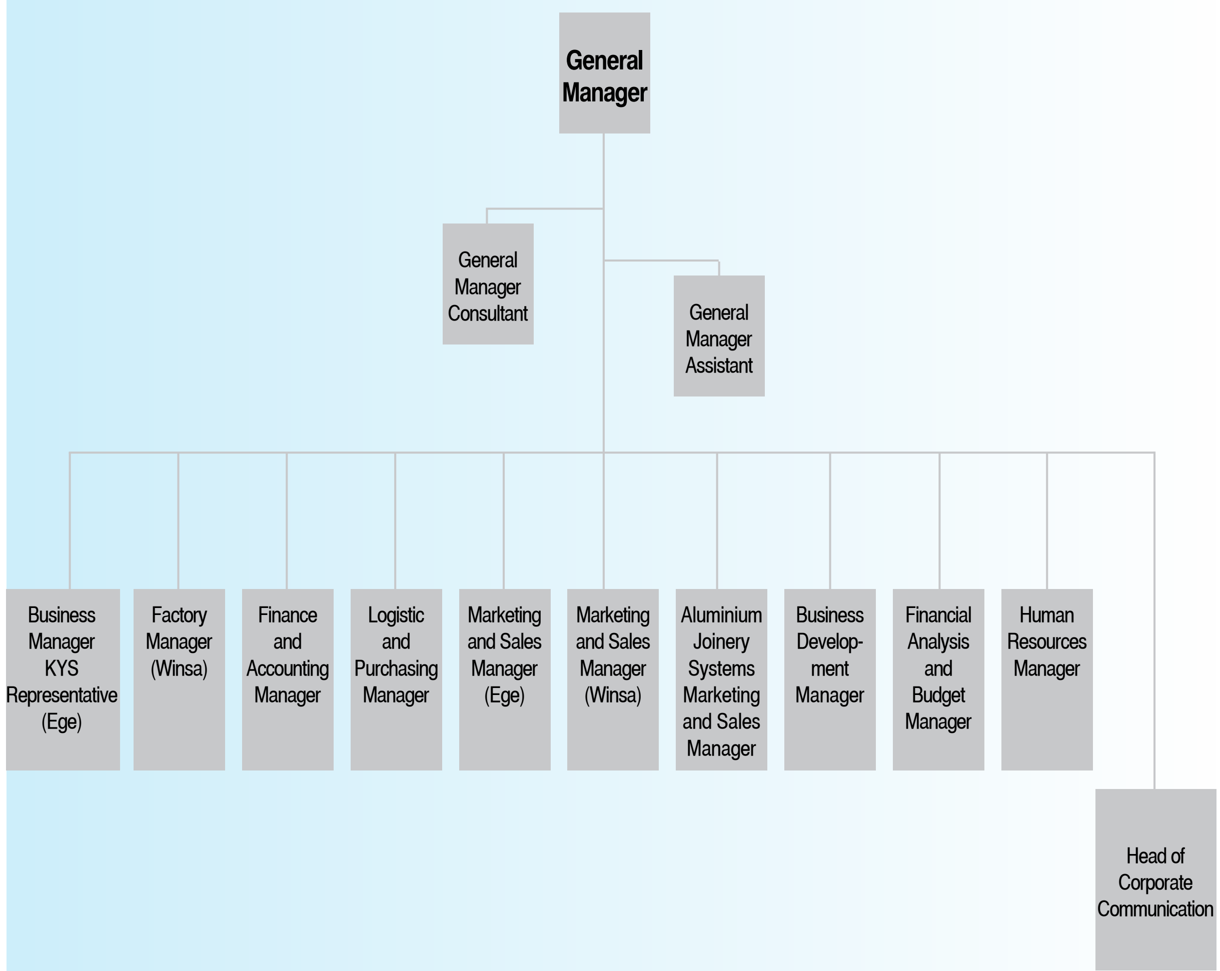
As of December 31, 2013, the salaries and other remuneration provided to the Chairman of the Board and Board members, and top executives, i.e., General Manager, General Coordinator, Assistant General Managers during the current period amount to a total of TL 4.005.906 (December 31, 2012 - TL 3.903.158).

Chapter 3
Research and Development Activities

We carry out R&D activities as part of our environment-friendly approach and our efficiency studies, for the purpose of developing less energy consuming products in respect of global energy policies.

The total R&D expenditure for 2013 is TL 330.968 (2012 - TL 265.941).

Organization Structure



Investment Activities

The fixed asset acquisitions made by the Company during 2013 amount to a total of TL 21.070.000 (€8.721.000). This investment includes the land purchased from Menemen Plastik Sanayileri for a total consideration of TL 5.531.928 (€3.005.092) for constructing a new manufacturing plant.

1000 EURO&TL	31.12.2013	31.12.2012	CHANGE %
EURO	8.721	7.051	% 24
TL	21.070	15.182	% 39

Internal Control

The internal control team of our shareholder Deceuninck Group realizes internal audit at our site and reports the findings within the frame of an audit plan established on annual basis. The team implements the audit work with regard to the compliance of transactions and operations of the Company with existing legislation as well as the Company policies.

The internal control unit has communicated to the Company the internal audit findings and the identified development areas for which the Company took immediate action. Articles related to monitoring such findings are added to the audit plans of the following year.

Furthermore, there are internal assessments made to check on regular basis the compliance with TS EN ISO 9001 Quality Management, TS EN ISO 14001 Environmental Management, and TS 18001 Occupational Health and Safety Management systems. Improvement works are implemented when deemed necessary.

Furthermore, along with the objective of achieving continuous improvement using lean manufacturing and 6 sigma techniques, our Company also uses 5 sigma audit programs on monthly basis to measure orderliness and tidiness within the factory.

In relation to occupational health and safety, the danger zones are identified upon field audits made by our occupational safety specialists and the necessary measures are taken.

Information About Direct and Indirect Participations and Shareholding Rates

Chile (Subsidiary) : Centro Industrial Lo Boza 3G-3H Volcan
Lascar 801 Pudahel Santiago / CHILI
Tel & Fax No: +56951498754

The Company has a 99,9% interest in the abovementioned subsidiary, Deceuninck Imporata, established in Chile.

Chapter 4
Company Operations and Significant Developments

Information About Acquisition of the Company's Own Shares

None.

Information About Independent Audit and Public Inspections Made During the Year

Pursuant to the report prepared on the tax examination made in 2013 in relation to 2011 transactions by the Income Tax Department of the Ministry of Finance, 1 special irregularity fine was levied on the Company which was paid upon tax compromise on January 23, 2014.

Information About Legal Proceedings Commenced Against the Company and Their Probable Results

The cases for which our Company has been or might be held accountable are discussed with our legal consultants. There are no significant lawsuits started against the Company and no debts or other liabilities related to the Company.

Information About Significant Administrative Sanctions and Penalties Levied Against the Company and the Board Members Due to Breach of Legislation

Pursuant to the report prepared on the tax examination made in 2011 in relation to 2007 transactions by the Income Tax Department of the Ministry of Finance, the Company filed for a lawsuit at Izmir Tax Court of 1st instance on April 30, 2012 against taxes and tax penalties amounting to TL 3.605.914 levied on the Company on April 2, 2012. Upon the hearing held on December 6, 2012, a portion of TL 2.358.150 out of the total amount in dispute has been annulled. The date of the hearing for the balancing amount has not been notified. The court resolution is expected to be in favor of the Company as the existing legal position is backed up by evidence and does not violate the relevant legislative provisions. As a matter of prudence, the Company has made a provision of TL 536.260 in the financial statements of December 31, 2013 and 2012. The Supreme Court's decision is anticipated.

Legal and Environmental Risks

Our Group is subject to different regulations in different countries. We continue developing policies and procedures within the Group in order to comply with the environmental and local laws and regulations of different countries.

The Company management makes regular studies to identify environmental risks and establishes various systems to control these risks.

Our compliance with legal and environmental regulations which is a policy highly emphasized by the Management has prevented our Company from administrative and legal sanctions that could have been raised due to violation of procedures. We have not encountered any administrative or legal sanction levied against the Company and the Management due to breach of legislative provisions.

Prior Target Valuations and Information About Resolutions of the General Meeting

We have achieved our 2013 targets by fulfilling the entire number of resolutions made of the General Meeting, placing emphasis on sustainable growth and high value added investments.

Extraordinary General Meetings Held During the Operating Year

None.

Expenditures Made in Respect of Donations, Grants, and Social Responsibility Projects Carried Out During the Year

Our Company is free to make donations and grants upon approval of the Company Management to establishments, i.e., foundations, associations, training institutions and public institutions established for social, cultural, educational and sports activities within the criteria stipulated by the Capital Markets Board and the Turkish Commercial Code.

While making donations, the relevant arrangements of the Ministry of Finance are taken into account and tax exempt entities are preferred.

The type and amount of the donation as well as the institution or the non-governmental organization to which the donation shall be made are determined with respect to their compliance with social responsibility criteria. Also, the Company is free to make donations to establishments, i.e., foundations, associations whose principal activities are related to the Company operations.

At the Annual Ordinary General Meeting, the participants are advised in detail about all donations and grants made during the period.

The donations and grants made by the Company in 2013 in accordance with the relevant policies consist of Kocaeli Metropolitan Municipality road construction support campaign, renewal of the windows at schools which is our social responsibility project, and the allowance in kind extended to the Turkish Educational Foundation.

DONATIONS	31.12.2013	31.12.2012
TL	185.513	9.750

Relations with the Parent Company and Companies Related to the Parent Company

There are no transactions realized without receiving the related consideration in the interest of the Company operations. All legal transactions are realized in the same manner as those made among third parties.

There are no measures taken or avoided for the benefit of Deceuninck NV or its subsidiaries.

Chapter 4

Company Operations and Significant Developments

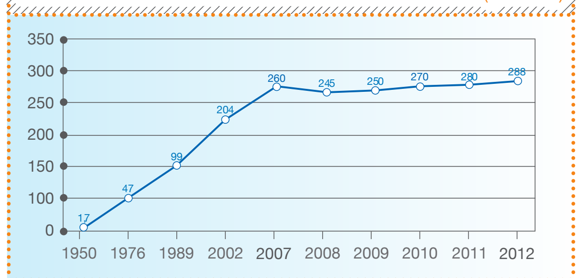
Global PVC Industry and Turkish PVC Industry

Year 2013 Sector Profile	Plastic Raw Materials	Plastic Goods
Company Number	14.000	
Employment	250.000	
Production	842,3 thousand ton	7,16 million ton
Consumption	5,866 thousand ton	6,284 thousand ton
Export	579 thousand ton / 978 million USD	1,37 million ton / 4,0 billion USD
Import	5,6 million ton / 9,9 million USD	483 thousand ton / 2,6 billion USD

Source: PLASFED

Rated as one of Turkey's most dynamic and the strongest industries in Turkey, PVC sector has continued to grow in 2012. Since 2005, the size of the industry has doubled; in 2012, the raw material production reached a total of 7,16 million tons and the total value of production reached USD 30 billion. Also, a total of USD 12 billion of added value is provided to the economy. There are around 14.000 companies operating in the Turkish PVC industry 99% of which are small and medium sized entities (SMEs). There are approximately 250.000 people employed in the PVC sector and 207 companies have foreign investors. In parallel to its steady growth, PVC industry has made an average of USD 750 million of annual investment on machinery and equipment during the last 5 years.

WORLD PLASTIC PRODUCTION 1950-2012 DEVELOPMENT (Million ton)



Source: Plastic Europe "Plastics - The Facts 2012

28% of the total global PVC production is realized by China; 16% by the USA, and 6% by Germany. These three countries account for 50% of the total global production. China ranks first with a total of 71,4 million tons of production. USD ranks second with a total of 41,3 million tons followed by Germany ranking 3rd with a total of 15,3 million tons. Turkey ranks 8th and accounts for a total production of 7,16 million tons.

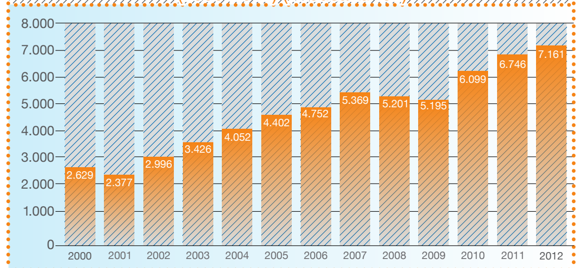
PRODUCTION OF PLASTIC DOMESTIC RAW MATERIALS (Ton) (2010-2012)

Product	2010	2011	2012
LDPE (AYPE)	185.000	189.350	155.900
LDPE (AYPE-T)	121.000	105.500	140.300
HDPE (YYPE)	84.000	89.850	86.700
S-PVC	153.000	145.500	146.000
PP-HOMOPOLİMER	127.000	122.600	113.400
PET	150.000	150.000	150.000
PS	-	50.000	50.000
TOTAL	**820.000**	**852.800**	**842.300**

Source: PETKIM and other Producers

In 2012, a total of 842,300 tons of raw material was produced in Turkey, showing a decrease of 1,2 % compared to the previous year.

TURKEY PLASTIC GOODS PRODUCTION (2000-2012) (Thousand ton)



Source: Turkish Plastics Industry Association

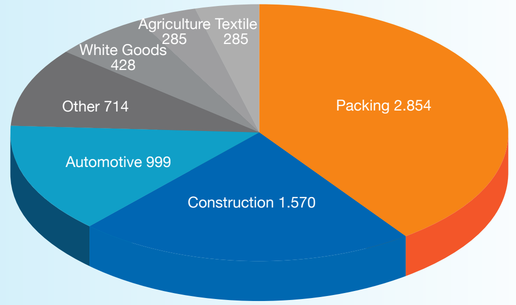
PLASTIC CONSTRUCTION GOODS PRODUCTION (Thousand ton)

Years	Production
2006	1.046
2007	1.181
2008	1.144
2009	1.143
2010	1.345
2011	1.453
2012	1.570

Source: PLASFED

In 2012, a total of 7,16 million tons of finished good was produced in Turkey showing an increase of 6,4 % compared to the previous year. In 2011, the capacity utilization rate of PVC production exceeded the general capacity utilization of the manufacturing industry by 1 point; in 2012, it was 2 points below the general capacity utilization of the manufacturing industry and it was realized at a rate of 72,1%. Construction materials produced by sub industries amount to total of 1.570.000 tons.

YEAR 2012 PRODUCTION OF PLASTIC GOODS BY THE SUB-SECTORS (Thousand ton)



Source: PLASFED

PLASTIC GOOD CONSUMPTION IN TURKEY (Thousand ton) (2007-2012)

Years	Plastic Raw Materials	Change (%)	Plastic Goods	Change (%)
2007	4.689	-	4.453	-
2008	4.531	-3,4	4.647	4,4
2009	4.676	3,2	4.616	-0,7
2010	5.050	8,0	5.446	18,0
2011	5.579	10,5	6.070	11,5
2012	5.866	5,1	6.284	3,5

Source: PLASFED

The local market consumption of PVC products in 2007 was 4,5 million tons and it has increased up to 6,3 million tons in 2012. However, nearly 1,3 million tons out of the total consumption of 6,3 million tons are exported indirectly through automotive, packaging, construction and electronic industries. The remaining 5 million tons is used directly by the consumers. Per per capita production made in 2012 is 67 kg.

WORLD EXPORT AND IMPORT OF PLASTIC CONSTRUCTION MATERIAL (2008-2012) (Thousand USD)

Years	Plastic Raw Materials	Change (%)	Plastic Good	Change (%)
2008	36.726.533	10,5	35.444.065	10,9
2009	30.457.937	17,1	39.179.881	17,7
2010	34.076.657	11,9	32.668.819	12,0
2011	40.347.240	18,4	37.992.187	16,3
2012	40.708.776	0,9	38.685.400	1,8

Source: International Trade Center
Material with GTIP number of 3917-3918-3922-3925

In 2012, the global exports volume of PVC construction products increased by 1% and reached a total of USD 40,7 billion. China ranks first among PVC exporters with a total of USD 6,7 billion. Germany ranks second with total of USD 6,2 billion and the USA ranks third with a total of USD 3,45 billion. Among importers, USD ranks first with USD 4 billion, Germany ranks second with USD 2,9 billion, and France ranks third with USD 2,4 billion.

WORLD EXPORT AND IMPORT OF PLASTIC CONSTRUCTION MATERIAL (2008-2013) (Thousand USD)

Years	Plastic Raw Materials	Change (%)	Plastic Good	Change (%)
2008	990.925	37,6	311.975	14,4
2009	923.955	-6,8	243.648	-21,9
2010	971.475	5,1	268.978	10,4
2011	1.153.901	18,8	373.469	38,8
2012	1.275.455	10,5	347.780	-6,9
2012/3rd quarter	961.364	-	257.153	-
2013/3rd quarter	1.010.916	5,2	295.096	14,8

Source: International Trade Center
Material with GTIP number of 3917-3918-3922-3925

In 2012, the Turkish exports volume of PVC construction products increased by 10,5% compared to 2011 and reached a total of USD 1,27 billion. Our 4 top ranking export markets comprise our neighbors and nearby countries among which Iraq ranks first with a total of USD 306,4 million. In 2012, Turkey realized exports in the amount of USD 134,1 million to Russia, USD 76,8 million to Azerbaijan, USD 59,4 million to Georgia, and USD 53,5 million to Turkmenistan. Our import volume in 2012 was USD 347,8 million major part of which was made to Germany, China and France.

Resource : Turkish Construction Industry Report (2013)

Chapter 5
Financial Position

The Independent Auditor's Report prepared for our Company is attached to this report.

Ege Profil Ticaret ve Sanayi Anonim Şirketi and its Subsidiary

Convenience Translation Into English of Consolidated Financial Statements for the year ended December 31, 2013 and Independent Auditor's Report

Chapter 6
Ege Profil Ticaret ve Sanayi Anonim Şirketi and its Subsidiary

Independent Audit Report

Convenience Translation into English of Independent Auditor's Report on Consolidated Financial Statements Originally Issued in Turkish

To the Board of Directors of Ege Profil Ticaret ve Sanayi Anonim Şirketi

We have audited the accompanying consolidated statement of financial position of Ege Profil Ticaret ve Sanayi Anonim Şirketi (the Parent Company) and its Subsidiary as of December 31, 2013 and the related consolidated statement of profit or loss and 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 other explanatory notes. We have not audited the financial statements of the Company's consolidated subsidiary Deceuninck Importadora Limitada which represents 3,5% of the Company's total assets stated in the consolidated statement of financial position and 0,7% of its net sales stated in the consolidated statement of profit or loss and other comprehensive income (Note 2).

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Turkish Accounting Standards ("TAS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the independent audit standards published by the Capital Markets Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Parent Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Parent Company management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Ege Profil Ticaret ve Sanayi Anonim Şirketi and its subsidiary as of December 31, 2013, and the results of their operations and their cash flows for the year then ended in accordance with the Turkish Accounting Standards.

BDO Denet Bağımsız Denetim Yeminli Mali Müşavirlik A.Ş.
Member, BDO International Network

BDO DENET
Bağımsız Denetim
Yeminli Mali Müşavirlik A.Ş.

Bülent Üstünel
Partner in Charge

Audıtor's Report

Other Matter

The Parent Company's financial statements for the accounting period January 1 - December 31, 2012 were audited by another independent auditor who expressed an unqualified opinion under the report dated March 8, 2013.

Reports on independent auditor's responsibilities arising from other regulatory requirements

In accordance with Article 402 of the Turkish Commercial Code ("TCC") no. 6102; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit; additionally, 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, 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

In our opinion, the information stated in the annual report of the Board of Directors is in compliance with the audited financial statements.

Pursuant to Article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the Code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by the management of the Company in order to manage these risks. As of the reporting date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Company formed the mentioned committee on June 5, 2013 and it is comprised of 4 members. The committee has met once every three months since its formation to the reporting date for the purposes of early identification of risks which jeopardize the existence of the company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has submitted the relevant quarterly reports to the Board of Directors.

Istanbul,
March 10, 2014

BDO Denet Bağımsız Denetim Yeminli Mali Müşavirlik A.Ş.
Member, BDO International Network

BDO DENET
Bağımsız Denetim
Yeminli Mali Müşavirlik A.Ş.

Bülent Üstünel
Partner in Charge

Bölüm 6
Ege Profil Ticaret ve Sanayi Anonim Şirketi

Consolidated Statements of Financial Position as of December 31, 2013 and 2012
(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

ASSETS	Notes	Current Period December 31, 2013	Prior Period December 31, 2012
Current Assets		**258.984.301**	241.791.806
- Cash and cash equivalents	2,4	**38.257.104**	33.339.561
- Financial assets		-	-
- Trade receivables	2,7	**172.542.402**	181.750.652
- Trade receivables from related parties	2,7,28	**8.881.177**	8.980.288
- Trade receivables from non-related parties	2,7	**163.661.225**	172.770.364
- Other receivables		**158.757**	409.742
- Other receivables from related parties		-	-
- Other receivables from non-related parties	8	**158.757**	409.742
- Inventories	2,9	**33.168.154**	21.633.829
- Prepaid expenses	10	**7.735.026**	2.592.668
- Current tax assets	11	**1.779.435**	-
- Other current assets	18	**3.736.140**	1.299.125
SUB TOTAL		**257.377.018**	241.025.577
- Non-current Assets Held for Sale	2,25	**1.607.283**	766.229
TOTAL CURRENT ASSETS		**258.984.301**	241.791.806
Non-current Assets		**99.670.138**	90.429.568
- Trade receivables		-	-
- Due from related parties		-	-
- Due from non-related parties		-	-
- Other receivables		**247.102**	159.079
- Other receivables from related parties		-	-
- Other receivables from non-related parties	8	**247.102**	159.079
- Financial assets		-	-
- Investments valued by equity method		-	-
- Investment properties		-	-
- Tangible assets	2,12	**92.597.210**	83.164.813
- Intangible assets	2,13	**6.123.884**	6.251.654
- Goodwill	2,14	**655.882**	655.882
- Other intangible assets		-	-
- Prepaid expenses	10	**46.060**	198.140
- Deferred tax asset	2,26	-	-
- Other non-current assets		-	-
TOTAL NON-CURRENT ASSETS		**99.670.138**	90.429.568
TOTAL ASSETS		**358.654.439**	332.221.374

Enclosed footnotes are the component of these financial statements.

Ege Profil Ticaret ve Sanayi Anonim Şirketi

Consolidated Statements of Financial Position as of December 31, 2013 and 2012
(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

LIABILITIES	Notes	Current Period December 31, 2013	Prior Period December 31, 2012
Short Term Liabilities		**125.805.114**	144.785.670
- Short term borrowings	2,5	**10.887.421**	27.722.201
- Short term portion of long term debts	2,5	**17.619.857**	25.803.913
- Other financial liabilities	2,6	**14.500**	50.840
- Trade payables		**56.470.267**	46.182.725
- Due to related parties	2,7,28	**1.047.233**	1.000.368
- Due to non-related parties	2,7	**55.423.034**	45.182.357
- Employee benefits	17	**1.703.081**	1.918.395
- Other payables	8	-	-
- Due to related parties		-	-
- Due to non-related parties		-	-
- Deferred income	10	**34.576.258**	37.775.162
- Current tax liability	2,26	**52.462**	410.231
- Short term provisions		**2.024.666**	2.133.603
- Short term provisions related to employee benefits	17	**636.816**	696.160
- Other short term provisions	15	**1.387.850**	1.437.443
- Other short term liabilities	18	**2.456.602**	2.788.600
SUB TOTAL		**125.805.114**	144.785.670
- Liabilities Related to Asset Groups Classified as Held for Sale		-	-
TOTAL SHORT TERM LIABILITIES		**125.805.114**	144.785.670
Long Term Liabilities		**66.549.385**	30.851.739
- Long term borrowings	2,5	**57.428.500**	22.666.667
- Other financial liabilities	2,6	-	-
- Trade payables		-	-
- Trade payables to related parties		-	-
- Trade payables to non-related parties		-	-
- Other payables		-	-
- Due to related parties		-	-
- Due to non-related parties		-	-
- Deferred income		-	-
- Long term provisions		**3.255.165**	2.831.587
- Long term provisions related to employee benefits	2,17	**3.255.165**	2.831.587
- Other long term provisions		-	-
- Current period tax liabilities		-	-
- Deferred tax liability	2,26	**5.865.720**	5.353.485
- Other long term liabilities		-	-
TOTAL LONG TERM LIABILITIE		**66.549.385**	30.851.739

Enclosed footnotes are the component of these financial statements.

Ege Profil Ticaret ve Sanayi Anonim Şirketi

Consolidated Statements of Financial Position as of December 31, 2013 and 2012

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

LIABILITIES	Notes	Current Period December 31, 2013	Prior Period December 31, 2012
EQUITY		**166.299.940**	156.583.965
Equity Attributable to the Parent Company		**166.299.940**	156.583.965
- Paid-in capital	19	**59.566.900**	59.566.900
- Capital adjustment differences	19	**7.840.703**	7.840.703
- Reacquired shares(-)		**-**	-
- Cross-shareholding adjustment (-)		**-**	-
- Share premium		**-**	-
- Accumulated other comprehensive income/losses not to be reclassified in profit/loss		**18.278.945**	18.619.782
- Revaluation and remeasurement gains/(losses)		**18.829.396**	19.127.794
- Other gains/(losses)		**(550.451)**	(508.012)
- Accumulated other comprehensive income/losses to be reclassified in profit/loss		**10.193**	-
- Foreign currency translation differences		**10.193**	-
- Hedging gains/(losses)		**-**	-
- Revaluation and remeasurement gains/(losses)		**-**	-
- Other gains/(losses)		**-**	-
- Restricted profit reserves	19	**13.825.129**	13.531.183
- Retained earnings / (Accumulated losses)	19	**51.084.059**	36.979.182
- Net profit/(loss) for the period	2	**15.694.011**	20.046.215
Non-controlling interest		**-**	-
TOTAL EQUITY		**166.299.940**	156.583.965
TOTAL LIABILITIES AND EQUITY		**358.654.439**	332.221.374

Enclosed footnotes are the component of these financial statements.

Ege Profil Ticaret ve Sanayi Anonim Şirketi

Consolidated Statements of Profit/Loss and Other Comprehensive Income for the years ended December 31, 2013 and 2012

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

	Notes	Current Period December 31, 2013	Prior Period December 31, 2012
Revenue	2,20	**316.779.618**	295.791.143
Cost of sales (-)	20	**(229.037.062)**	(215.619.346)
Gross profit/loss		**87.742.556**	80.171.797
General administration expenses (-)	21	**(16.068.286)**	(16.064.070)
Marketing expenses (-)	21	**(38.731.320)**	(31.839.993)
Research and development expenses (-)	21	**(330.968)**	(265.941)
Other operating income	22	**13.810.832**	9.112.177
Other operating expenses (-)	22	**(15.152.271)**	(7.308.614)
Operating profit/loss		**31.270.543**	33.805.356
Income from investing activities		**-**	-
Expenses related to investing activities (-)		**-**	-
Profit/loss shares in investments valued by equity		**-**	-
Operating profit/loss before financial expenses		**31.270.543**	33.805.356
Financial income	24	**1.368.469**	3.293.644
Financial expenses (-)	24	**(12.527.064)**	(12.026.032)
Profit/loss before tax from continuing operations		**20.111.948**	25.072.968
Tax expense/income from continuing operations		**(4.417.937)**	(5.026.753)
Tax expense/income for the period	2,26	**(3.895.092)**	(4.402.538)
Deferred tax expense/income	2,26	**(522.845)**	(624.215)
Profit/loss for the period from continuing operations		**15.694.011**	20.046.215
Profit/loss for the period		**15.694.011**	20.046.215
Other comprehensive income/(expense)			
Income and expense items not to be reclassified in profit or loss		**(340.837)**	12.446.922
Change in fixed assets revaluation fund		**(372.997)**	13.898.474
Actuarial gains and losses from pension plans	17	**(53.049)**	(412.447)
Deferred tax income / expense		**85.209**	(1.039.105)
Income and expense items to be reclassified in profit or loss		**10.193**	-
Change in foreign exchange differences		**10.193**	-
Other comprehensive income (After tax)		**(330.644)**	12.446.922
Total comprehensive income		**15.363.367**	32.493.137
Earnings per share in continuing operations	2,27	**0,2635**	0,3365

Enclosed footnotes are the component of these financial statements.

Consolidated Statements of Changes in Equity for the years ended December 31, 2013 and 2012

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

	Notes	Paid-in Capital	Equity Adjustment Differences	Restricted Profit Reserves	Actuarial (Losses)/ Gains	Translation Difference	Fixed Assets Revaluation Fund	Retained Earnings	Net Profit/ (Loss) for the Period	Total Equity Attributable to the Company	Non-controlling Interest	Total Equity
Balance as at January 1, 2012		**59.566.900**	**7.840.703**	**13.531.183**	-	-	**6.350.915**	**25.813.292**	**10.736.787**	**123.839.780**	-	**123.839.780**
TAS 19 Adjustment (net of deferred tax effect)		-	-	-	(178.055)	-	-	151.961	26.094	-	-	-
Adjusted balance as at January 1, 2012		**59.566.900**	**7.840.703**	**13.531.183**	**(178.055)**	-	**6.350.915**	**25.965.253**	**10.762.881**	**123.839.780**	-	**123.839.780**
Net profit for the period									**20.046.215**	**20.046.215**	-	**20.046.215**
Fixed asset value increase (net of deferred tax effect)		-	-	-	-	-	13.027.927	-	-	13.027.927	-	13.027.927
Other comprehensive income/ (expense)	19	-	-	-	(329.957)	-	(251.048)	-	-	(581.005)	-	(581.005)
Total Comprehensive Income/(Expense)					(329.957)		12.776.879	-	20.046.215	32.493.137	-	32.493.137
Reclassification of retained earnings	19	-	-	-	-	-	-	10.762.881	(10.762.881)	-	-	-
Revaluation fund transfer	19	-	-	-	-	-	-	251.048	-	251.048	-	251.048
Adjusted balance as at December 31, 2012		**59.566.900**	**7.840.703**	**13.531.183**	**(508.012)**		**19.127.794**	**36.979.182**	**20.046.215**	**156.583.965**	-	**156.583.965**
Balance as at January 1, 2013		**59.566.900**	**7.840.703**	**13.531.183**	-		**19.127.794**	**36.801.127**	**19.716.258**	**156.583.965**	-	**156.583.965**
TAS 19 Adjustment (net of deferred tax effect)		-	-	-	(508.012)	-	-	178.055	329.957	-	-	-
Adjusted balance as at January 1, 2013		**59.566.900**	**7.840.703**	**13.531.183**	**(508.012)**	-	**19.127.794**	**36.979.182**	**20.046.215**	**156.583.965**	-	**156.583.965**
Net profit for the period	19	-	-	-	-	-	-	-	15.694.011	15.694.011	-	15.694.011
Other comprehensive income					(42.439)	10.193	(298.398)	-	-	(330.644)	-	(330.644)
Total comprehensive income/(expense)		-	-	-	(42.439)	10.193	(298.398)	-	15.694.011	15.363.367	-	15.363.367
Reclassification of retained earnings		-	-	-	-	-	-	20.046.215	(20.046.215)	-	-	-
Transfer to restricted profit reserves		-	-	293.946	-	-	-	(293.946)	-	-	-	-
Dividend payment		-	-	-	-	-	-	(5.917.804)	-	(5.917.804)	-	(5.917.804)
Revaluation fund transfer	19	-	-	-	-	-	-	298.398	-	298.398	-	298.398
Effect of Branch on Retained earnings/Accumulated losses		-	-	-	-	-	-	(27.986)	-	(27.986)	-	(27.986)
Adjusted balance as at December 31, 2013		**59.566.900**	**7.840.703**	**13.825.129**	**(550.451)**	**10.193**	**18.829.396**	**51.084.059**	**15.694.011**	**166.299.940**	-	**166.299.940**

Enclosed footnotes are the component of these financial statements.

Consolidated Statements of Cash Flows for the years ended December 31, 2013 and 2012
(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

CASH INFLOWS PROVIDED BY OPERATING ACTIVITIES	Notes	January 1 - December 31, 2013	January 1 - December 31, 2012
(Loss)/profit before tax provision and monetary gains		**20.111.948**	25.072.968
Reconciliation between profit(loss) before tax and cash flows from operating activities			
Loss/(gain) on fixed asset sales		**(74.095)**	28.286
Depreciation and amortisation	12,13	**7.750.721**	7.549.643
Inventory provision		**50.697**	83.236
Provision for doubtful receivables		**10.188.782**	5.423.272
Provision for termination indemnity		**579.091**	556.027
Provision for leaves		**(59.344)**	229.152
Forward (income)/los) accrual		**(107.950)**	50.840
Unrealized foreign exchange difference (gains)/losses, net		**2.787.649**	(699.960)
Interest income	22	**(2.893.329)**	(2.882.481)
Interest expense	22, 24	**6.904.655**	8.628.553
Income accrual		**-**	(1.229.713)
Provision for litigation	15	**(107.424)**	-
Warranty provision	15	**57.831**	75.824
Operating (loss)/profit before working capital changes		**45.189.232**	42.885.647
Working capital changes			
Inventories	9	**(11.585.022)**	9.041.204
Trade receivables (including balances due from related parties)		**3.289.929**	(37.184.128)
Trade payables (including balances due to related parties)		**7.550.772**	15.630.076
Other short term liabilities		**(547.313)**	2.799.178
Other payables	10	**(3.198.904)**	11.239.625
Other short term receivables	8	**250.986**	(157.995)
Other long term receivables	8	**(88.023)**	(87)
Other current assets		**(9.236.357)**	1.424.281
Other non-current assets		**152.080**	5.322.684
Non-current assets held for sale		**(841.054)**	(74.882)
Collection of doubtful receivables		**965.256**	2.104.884
Taxes paid	11	**(4.252.860)**	(4.614.325)
Termination indemnities paid		**(155.514)**	(648.384)
Net cash inflows/(outflows) related to operating activities		**27.493.208**	47.767.778
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of tangible assets	12	**(17.087.011)**	(11.615.604)
Acquisition of intangible assets	13	**(1.118)**	-
Revenue on sale of tangible assets		**106.878**	192.001
Interest collected	20	**2.893.329**	2.882.481
Net cash outflows provided by/(used in) investing activities		**(14.087.922)**	(8.541.122)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows/(outflows) related to financial debts, net		**2.072.005**	(11.368.971)
Interest paid		**(4.571.102)**	(8.736.857)
Dividend payment		**(5.917.804)**	-
Other financial liabilities		**(27.986)**	-
Translation difference		**10.193**	-
Actuarial gains/losses		**(53.049)**	(412.447)
Net cash outflows provided by/(used in) financing activities		**(8.487.743)**	(20.518.275)
Decrease in cash and cash equivalents, net		**4.917.543**	18.708.381
Beginning of the period		**33.339.561**	14.631.180
End of the period		**38.257.104**	33.339.561

Enclosed footnotes are the component of these financial statements.

Notes to the Consolidated Financial Statements for the years ended December 31, 2013 and 2012
(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

1. Organization and Principal Activities of the Parent Company

Ege Profil Ticaret ve Sanayi Anonim Şirketi (the Parent Company) is a company registered in Izmir. The main operations of the Parent Company are manufacturing and sales of all types of plastic pipes, spare parts, profiles and plastic goods.

In the following sections, the Parent Company and its subsidiary will be referred to as "the Parent Company or the Company".

The address of the Parent Company is as follows:

Atatürk Organize Sanayi Bölgesi, 10003 Sokak, No:5, Çiğli - İzmir

As of December 31, 2013 and December 31, 2012, the shareholding structure of the Parent Company is as follows:

	December 31, 2013	December 31, 2012
Name	**Share percentage**	Share percentage
Deceuninck NV	**% 97,54**	% 97,54
Public offering	**% 2,46**	% 2,46
Total	**% 100,00**	% 100,00

As of December 31, 2013, 2,46% of the Company shares is listed on Istanbul Stock Exchange ("ISE").

As of December 31, 2013 and December 31, 2012, the number of personnel by category is as follows:

	December 31, 2013	December 31, 2012
White collar	**167**	149
Blue collar	**505**	466
	672	615

- Along with its Turkish operations, the Parent Company carries out sales activities through its subsidiary in Chile and its branch office in India.

- For re-financing purposes, the major shareholder Deceuninck NV acting in the capacity of loan receiver has pledged in favor of Fortis Bank NV/SA acting in the capacity of guarantee representative the entire number of its 58.100.520 shares representing 97,5382% of the Company's share capital as per the Share Pledge Agreement signed on August 16, 2012 upon amendment dated July 16, 2012 made on the Loan Agreement dated September 11, 2009.

- The consolidated financial statements were approved by the Board of Directors on March 10, 2014. The General Meeting and relevant regulatory bodies have the power to amend the consolidated financial statements.

2. Presentation of the Financial Statements

(i) Basis of Presentation:

Preparation of the financial statements

The Parent Company maintains its books of account and prepares its statutory financial statements in Turkish Lira in accordance with the prevailing commercial and financial legislation. The foreign subsidiaries and agencies maintain their books of account and prepare their statutory financial statements in their local currencies and in accordance with the rules and regulations of the country in which they operate. The accompanying consolidated financial statements are prepared in accordance with the provisions of the "Communiqué Related to the Financial Reporting Principles at the Capital Markets" (Communiqué) Nr. II/14.1 of the Capital Markets Board (CMB) published in the Official Gazette dated June 13, 2013 Nr 28676, taking as basis the Turkish Accounting Standards /Turkish Financial Reporting Standards and the related appendices and interpretations (TAS/TFRS) put into effect by the Public Oversight Accounting and Auditing Standards Authority (POA) as per the Article 5 of the Communiqué.

The accompanying consolidated financial statements are presented in accordance with the principles the application of which is required by the announcement published in the weekly bulletin dated June 7, 2013 nr 2013/19 of the CMB.

The consolidated financial statements are based on the statutory records of the Parent Company and its Subsidiary and presented in TL in accordance with the TAS/TFRS with certain adjustments and reclassifications to provide a true and fair view of the Company's financial position.

The reclassifications made in the Parent Company's statement of financial position as of December 31, 2012 and its statement of comprehensive income for the year ended December 31, 2012 are as follows:

- 'Order advances given for inventories' stated in the 'other current assets' account group in the amount of TL 2.277.122 is reclassified in 'short term prepaid expenses' account.

- 'Prepaid expenses' stated in the 'other current assets' account group in the amount of TL 315.547 is reclassified in 'short term prepaid expenses' account.

- 'Order advances given for fixed assets' stated in the 'other non-current assets' account group in the amount of TL 196.687 is reclassified in 'long term prepaid expenses' account.

- 'Prepaid expenses' stated in the 'other non-current assets' account group in the amount of TL 1.452 is reclassified in 'long term prepaid expenses' account.

- 'Bank borrowings' stated in the 'short term financial debts' account group in the amount of TL 25.803.913 is reclassified in 'short term portion of long term borrowings' account.

- The account group presented as 'liabilities related to employee benefits' is renamed to be presented as 'employee benefit obligations'.

2. Presentation of the Financial Statements (continued)

(i) Basis of Presentation (continued):

- 'Taxes and other withholdings' stated in the 'other liabilities' account group in the amount of TL 883.549 is reclassified in 'employee benefit obligations' account.

- 'Other miscellaneous debts' stated in the 'other liabilities' account group in the amount of TL 936.650 is reclassified in 'trade payables from related parties' account.

- 'Order advances received' stated in the 'short term other payables' account group in the amount of TL 37.775.162 is reclassified in 'deferred income' account.

- 'Long-service incentive pay' stated in the 'long term other expenses and provisions' account group in the amount of TL 2.831.587 is reclassified in 'long term provisions related to employee benefits' account.

- 'Foreign exchange losses related to trade receivables and payables' stated in the 'financial expenses' account group in the amount of TL 6.541.659 is reclassified in 'other expenses from operating activities' account.

- 'Foreign exchange gains related to trade receivables and payables' stated in the 'financial income' account group in the amount of TL 5.573.827 is reclassified in 'other income from operating activities' account.

- 'Interest income from bank deposits' stated in the 'financial expenses' account group in the amount of TL 2.882.481 is reclassified in 'other income from operating activities' account.

- 'Bank expenses' stated in the 'general administration expenses' account group in the amount of TL 537.200 is reclassified in 'other expenses from operating activities' account.

- As of December 31, 2012, TL 62.761 of deferred tax effect is reflected to the depreciation total transferred from fixed asset revaluation fund to retained earnings /accumulated losses, and the deferred tax liability is increased by the same amount.

The financial statement items other than land, land improvements, buildings, and forward exchange contracts are based on historical cost.

Functional currency and reporting currency

The Parent Company uses Turkish Lira ("TL") as functional currency and reporting currency. The functional currencies used by the Parent Company's branch in India and its subsidiary in Chile are Indian Rupee and Chilean Peso, respectively. The items of the statement of financial position are translated at the foreign exchange rate valid at the reporting date; and the income and expense items are translated at the average rate of exchange for the period. Gains and losses arising from translation operations are stated in the "foreign exchange translation differences" account in the consolidated statement of comprehensive income. The accompanying financial statements are prepared in TL including the financial statements as of December 31, 2013 and the prior period financial data used for comparison purposes.

2. Presentation of the Financial Statements (continued)

(ii) Companies included in the consolidation and their consolidation rates:

Parent Company:

- Ege Profil Ticaret ve Sanayi Anonim Şirketi 100%

Subsidiary:

- Deceuninck Importadora Limitada * 99,9%

* Included in the accompanying consolidated financial statements by full consolidation method. The non-controlling shares representing 0,7% of the total capital is regarded immaterial, hence non-controlling interest is not calculated.

(iii) Consolidation Principles:

Full Consolidation Method:

- All items of the statement of financial position except for the paid-in capital of the Parent Company and its subsidiary and their equities at the acquisition date are added, and inter-company balances are eliminated.

- The Parent Company's interest in the subsidiary is set off against the Financial Assets account of the Parent Company and the Share Capital account of the subsidiary.

- As of the acquisition date that the entity included in the consolidation becomes a subsidiary and in the subsequent share acquisitions, the acquisition cost of the Parent Company's shares in its subsidiary is set off against the value representing these shares in the equity account of the Subsidiary's statement of financial position drawn up according to fair value.

- Shares other than Parent Company shares and Subsidiary shares are deducted from all equity account group items including the paid in/issued share capital of subsidiaries included in the consolidation and are recognized as "Non-controlling Interests" in the equity account group of the consolidated statement of financial position.

- The purchase and sales among the Parent Company and its Subsidiary and the profit and losses arising from these transactions are eliminated in the consolidated statement of comprehensive income. Profit and losses arising from the purchase or sale of marketable securities, inventories, tangible and intangible assets, long term financial assets and other assets among the consolidated group companies are also eliminated.

2. Presentation of the Financial Statements (continued)

(iv) Adjustment of Financial Statements during Hyper-Inflationary Periods:

Turkish Accounting Standard 29 (TAS 29) requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the previous periods be restated in the same terms. As per the resolution of the Capital Markets Board (CMB) dated March 17, 2005 Nr 11/367, the application of inflation adjustment on the financial statements is terminated in 2005. For that reason, the financial statements are prepared in terms of the purchasing power of the Turkish Lira as at December 31, 2004. The additions to non-monetary items subsequent to January 1, 2005 are stated at their nominal values.

(v) Adjustments:

Consolidated financial statements are prepared in accordance with TAS/TFRS, and the adjustments which are not stated in the statutory books are set out below.

- Depreciation adjustment related to the economical lives of tangible and intangible assets
- Adjustment of discounting the cost value of land, land improvement, and buildings to their market values
- Provision for doubtful receivables
- Warranty provision for sales
- Provision for litigation
- Adjustment of provisions for termination indemnity and leaves
- Adjustment related to purchasing turnover premium income
- Adjustment related to sales turnover premium payments
- Inventory provision
- Rediscount calculation for post dated cheques, note receivable, notes payable, customers, and suppliers
- Deferred tax adjustment

(vi) Comparative Information and Adjustment of Prior Period Financial Statements:

The Parent Company's financial statements are prepared comparatively with the prior period in order to make financial position and performance evaluations. The Parent Company's consolidated statements of financial position as of December 31, 2013 and December 31, 2012 are prepared comparatively. Similarly, the consolidated statements of comprehensive income, cash flows, and changes in equity for the period January 1 - December 31, 2013 and those for the period January 1 - December 31, 2012 are prepared comparatively.

2. Presentation of the Financial Statements (continued)

(vii) Offsetting:

Offsetting financial assets and liabilities can only be made under the conditions where the offsetting transaction is legally allowed and the entity has an intention in this respect or where the acquisition of assets and fulfillment of liabilities are realized simultaneously.

(viii) Accounting Policies, Changes and Errors in Accounting Estimates:

The accounting policies applied by the Parent Company are consistent with those applied in the prior year. Significant changes in accounting policies and significant accounting errors determined in the financial statements are treated retrospectively, and the prior year financials are restated. Changes in accounting policies are applied in the period of the change if they are related to the one period only; however, if they are related to the future periods, they are applied both in the period of change and the future period, prospectively.

Pursuant to TAS 19 “Employee Benefits”, starting from January 1, 2013, the actuarial gains/losses related to provisions for termination indemnity are included in the other comprehensive income. As the related standard is revised, the change in the accounting policy was applied as required by the standard as of January 1, 2011, and the actuarial gains/losses stated in the prior period statements of income are reclassified under profit or loss and other comprehensive income; and the financial statements and notes are revised accordingly.

The preparation of the financial statements require management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in statements of income in the periods they become known.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

a) Termination indemnity liability is determined by using actuarial assumptions (discount rates, future salary increases and employee turnover rates). As these plans are long term plans, the said assumptions include significant ambiguities. Provisions for employee benefits are elaborated in Note 17.

2. Presentation of the Financial Statements (continued)

(viii) Accounting Policies, Changes and Errors in Accounting Estimates (continued):

b) Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than related parties, are assessed with their prior year performances, their credit risk in the current market, and their individual performances after the balance sheet date up to the issuing date of the financial statements and furthermore, the renegotiation conditions with these debtors are considered.The provisions made for doubtful receivables as of the reporting date are disclosed in Note 7.

c) The Management has made significant assumptions in parallel with the technical team’s experience in determining the useful lives of machinery and equipment.

d) In calculating impairment, the physical status and aging of inventories are reviewed taking into consideration the technical personnel’s opinion; and provision is made for items assumed unserviceable. In determining the net realizable value of inventories, inventory price lists and average discount rates of the year are used and assumptions are made in relation to sales expenses to be incurred in the future. As a result of these studies, provision is made for inventories whose net realizable value is less than the cost value as stated in Note 9.

e) The Company uses discount cash flows and independent valuation studies on land and buildings in making impairment analysis on assets. While making these analyses, the Company makes various assumptions in relation to the Company’s future operations and the discount rates to be used. As a result of these studies, it is concluded by the Management that there is no impairment in the Company’s non-financial assets.

f) Deferred tax assets are recognized in the event that it is likely to settle temporary differences and accumulated losses through future taxable profit. In determining the amount of deferred tax assets to be recorded, significant assumptions and valuations need to be made in relation to the taxable profits that are likely to be generated in the future (Note 26).

g) Management takes into consideration in making provisions for litigation the probability and consequences of losing court cases together with the legal consultants’s opinion. The amount of provision deemed necessary by the Management is determined using the data available and making the best possible assumptions thereon. The related disclosures are set out in Note 15.

h) In the light of legal consultants’ opinion, the Management has made the best possible assumptions for the amount of provision that would be necessary for a liability likely to arise upon the tax review made for 2007. The related disclosures are set out in Note 15.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations:

The accounting policies adopted in preparation of the consolidated financial statements for the period ended December 31, 2013 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2013. The effects of these standards and interpretations on the Parent Company's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows:

TFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendment)

These amendments require the entity to disclose information about rights of set-off and related arrangements (e.g., collateral agreements). New disclosures would provide users of financial statements with information that is useful in;

i) evaluating the effect or potential effect of netting arrangements on an entity's financial position and,

ii) analyzing and comparing financial statements prepared in accordance with TFRSs and other generally accepted accounting standards.

New disclosures need to be provided for all the financial instruments in the balance sheet that have been offset according to TAS 32. Such disclosures are applicable to financial instruments in the balance sheet that have not been offset according to TAS 32 but are available for offsetting according to main applicable offsetting regulations or other financial instruments that are subject to a similar agreement. The amendment affects disclosures only and has no impact on the consolidated financial statements of the Company.

TAS 1 Presentation of Financial Statements (Amended) - Presentation of Items of Other Comprehensive Income

The amendments to TAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendment affects the basis of presentation only and does not have an impact on the financial position or performance of the Company.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations (continued):

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows (continued):

TAS 19 Employee Benefits (Amended)

Numerous changes or clarifications are made under the amended standard. Among these amendments, the most important changes are removing the corridor mechanism, recognizing actuarial gain/(loss) under other comprehensive income in defined benefit plans, and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. Prior to the amendment, the Parent Company used to recognize its actuarial gains and losses in the statement of income. The impact on the Company's financial position and performance resulting from the amendment regarding the accounting of actuarial gains/ losses has been disclosed retrospectively in Note 17.

TAS 27 Separate Financial Statements (Amended)

As a consequential amendment to TFRS 10 and TFRS 12, the POA also amended TAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. This amendment did not have an impact on the financial position or performance of the Company.

TAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to TFRS 11 and TFRS 12, the POA also amended TAS 28, which has been renamed TAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to TFRS 11. This amendment did not have an impact on the financial position or performance of the Company.

TFRS 10 Consolidated Financial Statements

TFRS 10 replaces the parts of previously existing TAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced for determining which entities are to be consolidated. This is a principle based standard through which the decision making areas of the preparers of the financial statements have been enhanced. The accompanying consolidated financial statements are based on this standard.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations (continued):

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows (continued):

TFRS 11 Joint Arrangements

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. This standard did not have an impact on the financial position or performance of the Company.

TFRS 12 Disclosure of Interests in Other Entities

TFRS 12 includes all of the requirements that are related to disclosures of an entity's interests in subsidiaries, joint arrangements, associates and structured entities. This standard is only related to the basis of presentation and has no effect on the disclosures provided by the Company.

TFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under TFRS but does not change when an entity is required to use fair value. It is a single source of guidance under TFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. The new disclosures are only required for periods beginning after TFRS 13 is adopted. This standard did not have any impact on the Company's consolidated financial statements.

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The interpretation is not applicable for the Company and does not have any impact on the financial position or performance of the Company.

Transition Guidance (Amendments to TFRS 10, TFRS 11 and TFRS 12)

The amendments only change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as 'the beginning of the annual reporting period in which TFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the period presented comparatively. In the event that the control assessment made in accordance with TFRS 10 is different than that made in accordance with TAS 27/SIC-12, the effects of retrospective adjustments need to be determined.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations (continued):

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows (continued):

However, if the control assessments are the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons, TFRS 11 Joint Arrangements and TFRS 12 Disclosure of Interests in Other Entities have also been amended to provide transition relief. This amendment has no impact on the financial position and performance of the Company.

Improvements to TFRSs

2009-2011 improvements to TFRS effective for the annual accounting periods starting at or subsequent to January 1, 2013 which are disclosed below have had no impact on the financial position or performance of the Company.

TAS 1 Presentation of Financial Statements:
Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

TAS 16 Property, Plant and Equipment:
Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

TAS 32 Financial Instruments: Presentation:
Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with TAS 12 Income Taxes. The amendment removes existing income tax requirements from TAS 32 and requires entities to apply the requirements in TAS 12 to any income tax arising from distributions to equity holders.

TAS 34 Interim Financial Reporting:
Clarifies the requirements in TAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations (continued):

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows (continued):

Standards issued but not yet effective and not available for early adoption

Standards, interpretations and amendments to existing standards that are issued as of the reporting date but not yet effective and not early adopted by the Company for the current reporting period are as follows. If not indicated otherwise, the Company will make the necessary changes which will have an impact on the consolidated financial statements and disclosures after the new standards and interpretations come into effect.

TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the TAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments will be applied retrospectively for the annual periods beginning on or after January 1, 2014. These amendments are not anticipated to have a significant impact on the financial position or performance of the Company.

TFRS 9 Financial Instruments - Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning as of or subsequent to January 1, 2015. Phase 1 of the new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Management is in the process of assessing the impact of the amendment on the Company's financial position and performance.

TFRIC Interpretation 21 Levies

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 interpretation is effective for annual periods beginning on or after January 1, 2014, with early application permitted. Retrospective application of this interpretation is required. This interpretation does not apply for the Company and has no effect on its financial position or performance.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations (continued):

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows (continued):

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not 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 interim financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Company will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. This amendment will have no impact on the financial position or performance of the Company.

IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial assets (Amendment)

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The amendments require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. The Management does not expect the standard to have a significant impact on the Company's financial position or performance.

IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendment)

In June 2013, the IASB issued amendments to IAS 39 Financial Instruments: Recognition and Measurement that provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2014. The Management does not expect that this amendment will have any impact on the financial position or performance of the Company.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations (continued):

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows (continued):

IFRS 9 Financial Instruments - Hedge Accounting and Amendments to IFRS 9, IFRS 7, and IAS 39 - IFRS 9 (2013)

In November 2013, IASB issued the new version of IFRS 9 comprising the new hedge accounting requirements and amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging relationships. The standard does not have a mandatory effective date, but it is available for application now; a new mandatory effective date will be set when the IASB completes the impairment phase of its project on the accounting for financial instruments. The Management has been evaluating the effects of this standard on the financial position and performance of the Company.

Improvements to IFRS

In December 2013, IASB issued Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011 - 2013 Cycle. Other than the amendments that only affect the standards' Basis for Conclusions, the changes are effective July 1, 2014.

Annual Improvements - 2010 - 2012 Cycle
IFRS 2 Share-based Payment:
Definitions relating to vesting conditions have been amended. Performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

IFRS 3 Business Combinations
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 IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

IFRS 8 Operating Segments
Amendments: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard ii) 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 amendment is effective retrospectively.

IFRS 13 Fair Value Measurement
The IASB clarified in the Basis for Conclusions that 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.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations (continued):

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows (continued):

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendment to IAS 16.35 (a) and IAS 38.80 (a) clarifies that revaluation can be performed, as follows: i) Adjust the gross carrying amount of the asset to market value; or ii) 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.

IAS 24 Related Party Disclosures
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.

Annual Improvements - 2011 - 2013 Cycle
IFRS 3 Business Combinations
The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

IFRS 13 Fair Value Measurement
The amendment clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

IAS 40 Investment Property
The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively. These amendments are not anticipated to have a significant impact on the financial position or performance of the Company.

IFRS 14 - Interim Standard on Regulatory Deferral Accounts
IASB issued this standard in January 2014. IFRS 14 Regulatory Deferral Accounts permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account for 'regulatory deferral account balances' in accordance with its previous GAAP both on initial adoption of IFRS and in subsequent financial statements. IFRS 14 cannot be adopted by entities that are currently preparing their financial statements under IFRS. The standard is effective for an entity's first annual IFRS financial statements that are for a period beginning on or after January 1, 2016. IFRS 14 does not apply for the Company and will not have a significant impact on its financial position or performance.

2. Presentation of the Financial Statements (continued)

(ix) The new standards, amendments and interpretations (continued):

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows (continued):

Resolutions promulgated by the Public Oversight Authority
In addition to those mentioned above, the POA has promulgated the following resolutions regarding the implementation of Turkish Accounting Standards. "The financial statement examples and user guide" became immediately effective at its date of issuance; however, the other resolutions shall become effective for the annual reporting periods beginning after December 31, 2012.

2013-1 Financial Statement Examples and User Guide
The POA promulgated "financial statement examples and user guide" on May 20, 2013 in order to ensure the uniformity of financial statements and facilitate their audit. The financial statement examples within this framework were published to serve as an example to financial statements to be prepared by companies obliged to apply Turkish Accounting Standards, excluding financial institutions established to engage in banking, insurance, private pensions or capital market. The Company has made the related classifications stated in Note 2.2 in order to comply with the requirements of this regulation.

2013-2 Accounting of Combinations under Common Control
In accordance with the resolution it has been decided that i) combination of entities under common control should be recognized using the pooling of interest method, ii) and thus, goodwill should not be included in the financial statements and iii) while using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occured. These resolutions do not have an impact on the financial statements of the Company.

2013-3 Accounting of Redeemed Share Certificates
Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments. These resolutions do not have an impact on the financial statements of the Company.

2013-4 Accounting of Cross Shareholding Investments
If a subsidiary of an entity holds shares of the entity, this is defined as cross shareholding investment. Accounting of such cross investment is assessed based on the type of the investment and different recognition principles adopted. With the subject resolution, this topic has been assessed under three main headings below and the recognition principles for each one of them has been determined.
i) the subsidiary holding the equity based financial instruments of the parent,
ii) the associates or joint ventures holding the equity based financial instruments of the parent,
iii) the parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 39 and TFRS 9 by the parent.

These resolutions are not expected to have an impact on the financial statements of the Company.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods:

Financial instruments:

Financial instruments consist of the financial assets and liabilities stated below:

i. Cash and cash equivalents

Cash and cash equivalents consist of cash balances on hand, cheques matured at the year-end, cash at banks, and bank deposits with maturities less than 3 months. Acquisition costs and accrued interests of cash and cash equivalents are stated together in a lump sum figure.

Cash is composed of Turkish Lira and foreign currency balances. Turkish Lira balances are stated at their face values and the foreign currency balances are translated to Turkish Lira at the foreign exchange rate issued by the Turkish Central Bank at the reporting date.

Bank accounts consist of demand deposit and time deposit accounts and the related interest accrued. Turkish Lira deposit accounts are stated at their carrying values and foreign currency accounts are translated into Turkish Lira at the foreign exchange rate issued by the Central Bank at the reporting date.

Cheques received are stated among trade receivables with maturities exceeding the reporting period and they are subject to rediscount in the reporting period.

Fair Value

As the foreign currency cash and cash equivalents are translated into Turkish Lira at the foreign exchange rates of the reporting date, it is assumed that the fair values of these assets approximate their book values.

As the recorded values of cash and banks are converted into cash in very short terms, and there is no risk of impairment, their book values are assumed to approximate their fair values.

ii. Trade receivables

The notes and post-dated cheques classified among trade receivables are recognized at their carrying values after provisions for doubtful trade receivables are netted from the invoice total and they are carried at their net values discounted by the effective interest rates. Provision is made for doubtful receivables if there is clear evidence that the due receivables will not be collectible. The receivables deemed uncollectible are deleted from the records. Provision is the amount estimated by the management to provide for the potential losses that may arise from economic conditions or from the risk attributed to the account.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Financial instruments (continued):

Fair value

Discounted trade receivables for which provisions for doubtful receivables are accrued are assumed to approximate the fair values of these assets.

iii. Related parties

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. In the financial statements, the Company's shareholders, companies owned by these shareholders, their executive staff and other groups known to be related are defined as related parties.

Fair value

The carrying values of balances due to and from related parties are assumed to approximate the fair values of these assets and liabilities.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Financial instruments (continued):

iv. Short and long term bank loans and trade payables:

Short and long term bank loans are stated at the value computed through addition of the principal amount and the interest expenses accrued as of the reporting date, discounted by the effective interest method.

Trade payables, other payables, and post dated cheques given which are recognized in trade payables are stated at their discounted cost values representing the fair value of future billed and unbilled amounts to arise from acquisition of goods and services.

Fair value

The fair values of short and long term bank loans are assumed to be equivalent to the recorded values computed by adding on the cost of these debts the accrued interest liabilities calculated at the effective interest rate as of the reporting dates. Similarly, discounted cost values of trade payables are considered to be equivalent to their fair values.

Inventories:

Inventories are stated at the lower of cost or net realizable value. Expenditures made to bring inventory to its current status are accounted for as follows:

The costs of raw materials and supplies are determined by weighted average cost method. The costs of finished and semi-finished goods are determined by weighted average cost method with the addition at certain rates of direct material and labor expenses as well as variable and fixed overhead. Net realizable value is the estimated selling price of an asset less the predictable costs of disposal.

Tangible assets:

Tangible assets are stated at cost less their accumulated depreciation and impairment loss, if any.

Tangible assets have been restated using the measuring unit current at December 31, 2004 from the dates of acquisition. Acquisitions subsequent to January 1, 2005 are stated at their nominal values. Depreciation of tangible assets is made by straight-line method over the inflation-adjusted amounts and the nominal values of acquisitions subsequent to January 1, 2005 based on the economic useful lives of assets.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Financial instruments (continued):

Tangible assets (continued):

Tangible assets other than land, land improvements and buildings are stated at cost less accumulated depreciation and provision for impairment, if any. Land, land improvements and buildings are stated at their market value less accumulated depreciation. The difference between the cost value and the market value is followed up in the “Fixed Assets Revaluation Fund” account under equity together with its deferred tax effect. Fair value study was made on June 14, 2012 by Denge Gayrimenkul Değerleme ve Danışmanlık A.Ş. licensed by the Capital Market Board. The fair values of the lands, land improvements and buildings have been determined according to market prices.

Furthermore, the difference between the depreciation based on the restated carrying value of the asset and the depreciation based on the acquisition value of the asset is transferred annually during the course of utilization from the fixed assets revaluation fund account to the retained earnings account.

Tangible assets are subject to depreciation at their cost values in accordance with the straight line method based on their economic lives.

The depreciation periods used in prior periods and as of the reporting date are as follows:

	December 31, 2013	December 31, 2012
	Period (Years)	Period (Years)
Land improvements	2-40	2-40
Buildings	10-40	10-40
Furniture and fixtures	3-10	3-10
Machinery and equipment	5-25	5-25
Motor vehicles	4-8	4-8

The cost value of a tangible asset comprises its acquisition price, import taxes, non-returnable taxes, and expenditures to ready the tangible asset for use. The expenses arising after the tangible assets start being used, i.e., maintenance and repair costs, are expensed in the period they are constituted. If expenditures provide economic benefit for future use of the related tangible assets, they are added onto the cost of the asset and depreciated for the remaining part of its economic life.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Financial instruments (continued):

Tangible assets (continued):

Intangible Assets:

Intangible assets are stated at their cost values less accumulated amortisation and impairment losses, if any.

The acquisition values of intangible assets are considered in the restatement of intangible assets as at December 31, 2004. Additions made subsequent to January 1, 2005 are stated at their nominal values. Intangible assets are amortized over their inflaton-adjusted values and the nominal values of additions subsequent to January 1, 2005, as per their useful lives.

Intangible assets mainly consist of outsourced licences, trademarks, industrial software, dealer list, software licence right, and other rights and they are capitalized over the market value determined during the trade operations as per the IFRS 3 “Business Combinations”. The positive goodwill arising as a result of the establisment of the related business combination as well as the trademarks, and outsourced licences are not subject to amortisation as their economic lives cannot be estimated; however, the impairment losses in the carrying value, if any, are reviewed each year.

Other intangible assets are software licensing right and other rights which are amortized by straight-line method over an expected economical life of 3-20 years. The carrying values of these intangible assets are analyzed for impairment if and when the conditions change.

Non-current assets held for sale:

The non-current assets held for sale represent real estate obtained from debtors in default to cover their liabilities to the Company. These assets are carried at the lower of carrying amount stated in the Company records and their market values assigned to title deeds. When the right of use of an asset is obtained by court decision or by the consent of the customer, the related total of doubtful trade receivables are set off from the value determined in expertise reports and classified under the non-current assets held for sale account. The difference between the fair value of the asset and the amount of trade receivable is recognized in the statement of income. The Company does not provide for depreciation of these assets unless they are used in the operations of the Company. When the assets are sold, the difference between the sales income and the carrying value of the asset is recognized in the profit or loss and other comprehensive income.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Assets and liabilities in foreign currency:

Assets and liabilities in foreign currency are translated into Turkish Lira at the foreign currency rates announced by the Turkish Central Bank at the reporting dates. Transactions in foreign currencies during the period are translated into Turkish Lira at the actual rates applicable on the transaction date. Exchange gains and losses arising from these transactions are included in the statement of comprehensive income.

Exchange rates used at the reporting dates are as follows:

Date	TL / USD	TL / Euro	TL / AUD
Buying rate of exchange			
December 31, 2013	**2,1343**	**2,9365**	**1,8886**
December 31, 2012	1,7826	2,3517	1,8477

Impairment of assets:

In case the book value of an asset exceeds its recoverable value, a provision for impairment loss is made so as to bring the book value of the asset down to the level of its fair value and it is recorded as expense in the statements of compherensive income.

On the other hand, the recoverable value of cash generating assets is the higher of their net sales price and the value in use. The value in use of the said assets is the present value of the future cash flows expected from continuous use and sale of these assets, discounted at a reasonable discounted rate.

In the event that provisions made for impairment in the prior periods are no longer valid or higher then necessary, the excess amount is reversed and recognized in the statement of profit or loss and other comprehensive income.

However, the increase in the carrying value of the asset due to reversal of impairment provision is recognized only if it does not exceed the value of the asset where there is no impairment provision made during the prior years. The loss in carrying value arising from revaluation of fixed assets is initially stated as a liability net of the revaluation fund in equity; and if there is a remaining balance left from the total value decrease, it is stated as expense in the profit or loss and other comprehensive income.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Borrowing costs:

Borrowing costs are recognized as expense. Borrowing costs related to the qualifying assets are included directly in the cost of the related qualifying asset. Upon completion of the necessary operations to make the qualifying asset ready for use or sale, the capitalization of the borrowing costs is discontinued.

Deferred Taxes:

Deferred taxes are calculated on the temporary differences that arise between the deductible tax base and the book values of assets and liabilities, by using the liability method. The main temporary differences arise from the income and expense items recognised in different periods with respect to the TAS/TFRS and the tax legislation. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated with the assumption that the Company will have taxable income during the future periods.

An enterprise should offset current tax assets and current tax liabilities if the enterprise has a legally enforceable right to set off the recognised amounts, provided that the tax assets and tax liabilities are subject to the tax legislation of the same jurisdiction.

Income Taxes:

Under the Turkish Taxation Code, a company that has its head office or place of business in Turkey is subject to a corparate tax.

Corparate earnings are subject to corparation tax at a rate of 20%. No witholding is calculated for tax-exempt income unless distributed. Exempted or not, dividends paid in cash to real persons with full liability and real persons and entities with limited liability (non-residents) are subject to income tax witholding at a rate of 15%. Addition of current year and prior year profits (retained earnings) to share capital has not been regarded as distibution of profits and therefore no witholding tax is applicable to these earnings. On the other hand, no witholding tax is applicable to entities with full liability in profit distributions.

Further, provisional corporation tax is paid at a rate of 20% on the profits declared for interim periods to be deducted from the corporation tax.

Under the Turkish taxation system, tax losses can be carried forward to be ofset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

As of December 31, 2013 and 2012, income tax provisions have been made in accordance with the prevailing tax legislation.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Employee benefits:

Under Turkish Labour Law Article 25/II, the Company is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive termination indemnity, is called up for military service, leaves within one year after marriage (women only), and to those employees who retire or die. The amount payable consists of one month's salary for each year of service is TL 3.254,44 as of December 31, 2013 (December 31, 2012 - TL 3.033,98).

Further to the above, provision is made in the financial statements for the subcontractor's employees as per contractual requirements.

The termination indemnity liability stated in the accompanying financial statements has been determined as per the recognition and valuation principles stated in "Employee Benefits" TAS 19. As the characteristics of the termination indemnity liabilities are similar to the "Post Employment Benefit Plans" stated in this standard, these liabilities are calculated and stated in the financial statements on the basis of below mentioned "Proposed Unit Loan Method" and various other assumptions.

- The dates that the employees will gain their pension rights are determined with respect to the current social security legislation considering their past employment durations.

- In calculating the current value of future liabilities that may arise due to the retirement or contract termination of an employee, it is assumed that the current salaries and wages or, if higher than the value of the termination indemnity upper limit determined by the Labour Law for December 31, 2013, the termination indemnity upper limit, to remain constant for restatement purposes, and this value is reduced by the actual discount rate of 3,49% (December 31, 2012 - 3,62%) calculated based upon the assumption that the expected annual inflation rate will be 6% (December 31, 2012 - 5,1%) and the expected discount rate will be 9,7% (December 31, 2012 - 8,9%) which represents the proposed average interest rate per annum of the government bonds in order to determine the current net value of the determination indemnity liability at the reporting date.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Revenue and expenses:

The accrual basis of accounting is applied for the recognition of revenues and expenses. The accrual concept requires that revenue, income and profits should be matched with costs, expenses and losses belonging to the same period.

Interest revenue accrual is calculated over the effective interest rate. In the event that there is unpaid interest accrual before acquisition of a marketable security bearing interest, the interest collected subsequently is allocated to periods before and after acquisition, and only the part that relates to the period after acquisition is recognized as income in the financial statements.

Dividend income is recognized when the right to receive the dividend is established.

Revenue:

Revenue is measured at the fair value of the consideration received or to be received.

Revenue from the sale of goods is recognized when the entity transfers to the buyer the significant risks and rewards of ownership of the goods, when the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, when the amount of revenue can be measured reliably, when it is probable that the economic benefits associated with the transaction will flow to the entity, and when the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Financial derivatives:

The Company makes forward exchange contracts. The said forward contracts made for hedging purposes as per the Company's risk management policies are not deemed sufficient for hedge accounting in accordance with the TAS 39 (Financial Instruments: Recognition and Measurement); hence, they are defined as "held for trading" and stated in the financial statements in the other short term financial liabilities and assets at their market values while the changes in market values are reflected to the statement of profit or loss and other comprehensive income.

Earnings / (loss) per share:

Earnings/(loss) per share is calculated by dividing the net profit or loss for the year by the weighted average number of ordinary shares outstanding during the period.

Enterprises in Turkey can increase their capital through distributing bonus shares to their shareholders proportionate to their shareholding from retained earnings and differences arising from inflation adjustment in shareholder's equity. These bonus shares are regarded as issued shares in calculating earnings/(loss) per share. Hence, retroactive calculation is made to arrive at the weighted average number of shares in respect of the bonus shares.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Events after the reporting date:

When there are events after the reporting period which require adjustment, the Company adjusts the amounts stated in the financial statements in light of the prevailing conditions. When there are events after the reporting period which do not require adjustments, they are disclosed, if deemed necessary, in the related period.

Provisions, contingent assets and liabilities:

Provisions
Provisions are recognized only if there is a present obligation as a result of a post obligating event, it is probable that outflow of economic resources is required because of this obligation or the amount of obligation can be reasonably estimated.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expenditures expected to be required to settle the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the management.

Warranty provisions
The Company provides replacement, maintenance, and repair services at conditions that conform to certain criteria. For the said commitment, the Company makes a provision of 2/1000 of its annual sales based on past experience.

Contingent liabilities and assets
The contingent liabilities are not recognized but disclosed unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

2. Presentation of the Financial Statements (continued)

(x) Summary of significant accounting policies and valuation methods (continued):

Leases:

Financial lease
Finance leases transferring all risks and rewards of ownership of the leased asset are recorded at commencement of the lease term at the lower of the fair value of the asset and the present value of the minimum lease payments. Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability (the finance charge is allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability). Financing expenses are recognised directly in the profit or loss and other comprehensive income. Capitalized leased assets are subject to depreciation over the expected useful life of the asset.

Operating lease
Leases where the lessee retains all risks and rewards of ownership are classified as operating leases. Operating lease payments are stated as expense in the statement of income throughout the lease period on straight-line basis.

Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-makers of the Company are identified as the General Manager and the Board of Directors.

For making strategic decisions for allocating resources and assessing the performance of operating segments, the chief operating decision-maker analizes the results and operations based on customer groups carrying various risks and benefits. The breakdown of the Company's customer groups is as follows: Domestic market, exports, and other. Some assets, liabilities, income and expense items are managed centrally and therefore they are not included in the segment reporting.

Business combinations:

As of October 21, 2004, the Company acquired from Pilsa A.Ş. (Pilsa) the operations realized under the trade name of "Winsa". The Company recognized the identifiable assets and liabilities acquired as per the TFRS 3 "Business Combinations" at fair value on December 1, 2004 which is the effective date of the contract; and the difference between the acquisition cost and the fair values of the identifiable assets and liabilities net of deferred tax effect are recognized as goodwill in the legal books.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

3. Segment Reporting

Segment reporting for the period ended December 31, 2013 is as follows (TL):

	Domestic market*	Export market**	Common***	Total
Revenue	**277.996.792**	**38.782.826**	**-**	**316.779.618**
Finished goods	245.197.943	32.201.001	-	277.398.944
Trade goods	30.127.652	6.065.772	-	36.193.424
Other	2.671.197	516.053	-	3.187.250
Cost of sales (-)	**(202.512.192)**	**(26.524.870)**	**-**	**(229.037.062)**
Finished goods	(173.483.941)	(21.298.168)	-	(194.782.109)
Trade goods	(25.644.625)	(4.555.632)	-	(30.200.257)
Other	(3.383.626)	(671.070)	-	(4.054.696)
GROSS PROFIT/LOSS	75.484.600	12.257.956		87.742.556
General administration expenses (-)	-	-	(16.068.286)	(16.068.286)
Marketing expenses (-)	(22.781.874)	(9.232.904)	(6.716.542)	(38.731.320)
Research & development expenses(-)	-	-	(330.968)	(330.968)
Other operating income	-	-	13.810.832	13.810.832
Other operating expenses (-)	-	(19.373)	(15.132.898)	(15.152.271)
OPERATING PROFIT/LOSS	52.702.726	3.005.679	(24.437.862)	31.270.543
Income from investing activities	-	-	-	-
Expenses related to investing activities (-)	-	-	-	-
Shares in profits and losses of investments accounted for by the equity method	-	-	-	-
OPERATING PROFIT/LOSS BEFORE FINANCIAL EXPENSES	52.702.726	3.005.679	(24.437.862)	31.270.543
Financial income	-	-	1.368.469	1.368.469
Financial expenses (-)	-	-	(12.527.064)	(12.527.064)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS	52.702.726	3.005.679	(35.596.457)	20.111.948
Tax expense/income from continuing operations	**-**	**-**	**(4.417.937)**	**(4.417.937)**
Tax expense (-)/income for the period	-	-	(3.895.092)	(3.895.092)
Deferred tax expense (-)/income	-	-	(522.845)	(522.845)
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	52.702.726	3.005.679	(40.014.394)	15.694.011
PROFIT/LOSS FOR THE PERIOD	52.702.726	3.005.679	(40.014.394)	15.694.011

(*) Turkey
(**) EU countries, Middle-East countries, Turkic Republics, African countries, Other Asian countries and other countries
(***) Unallocated income/expense

3. Segment Reporting (continued)

Segment reporting for the period ended December 31, 2012 is as follows (TL):

	Domestic market*	Export market**	Common***	Total
Revenue	**260.600.067**	**35.191.076**	**-**	**295.791.143**
Finished goods	230.972.980	29.692.458	-	260.665.438
Trade goods	28.178.032	4.336.022	-	32.514.054
Other	1.449.055	1.162.596	-	2.611.651
Cost of sales (-)	**(189.096.257)**	**(26.523.089)**	**-**	**(215.619.346)**
Finished goods	(162.945.893)	(22.176.038)	-	(185.121.931)
Trade goods	(23.921.925)	(3.215.213)	-	(27.137.138)
Other	(2.228.439)	(1.131.838)	-	(3.360.277)
GROSS PROFIT/LOSS	71.503.810	8.667.987		80.171.797
General administration expenses (-)	-	-	(16.064.070)	(16.064.070)
Marketing expenses (-)	(20.661.148)	(5.017.043)	(6.161.802)	(31.839.993)
Research & development expenses(-)	-	-	(265.941)	(265.941)
Other operating income	-	-	9.112.177	9.112.177
Other operating expenses (-)	-	-	(7.308.614)	(7.308.614)
OPERATING PROFIT/LOSS	50.842.662	3.650.944	(20.688.250)	33.805.356
Income from investing activities	-	-	-	-
Expenses related to investing activities (-)	-	-	-	-
Shares in profits and losses of investments accounted for by the equity method	-	-	-	-
OPERATING PROFIT/LOSS BEFORE FINANCIAL EXPENSES	50.842.662	3.650.944	(20.688.250)	33.805.356
Financial income	-	-	3.293.644	3.293.644
Financial expenses (-)	-	-	(12.026.032)	(12.026.032)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS	50.842.662	3.650.944	(29.420.638)	25.072.968
Tax expense/income from continuing operations	**-**	**-**	**(5.026.753)**	**(5.026.753)**
Tax expense (-)/income for the period	-	-	(4.402.538)	(4.402.538)
Deferred tax expense (-)/income	-	-	(624.215)	(624.215)
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	50.842.662	3.650.944	(34.447.391)	20.046.215
PROFIT/LOSS FOR THE PERIOD	50.842.662	3.650.944	(34.447.391)	20.046.215

(*) Turkey
(**) EU countries, Middle-East countries, Turkic Republics, African countries, Other Asian countries and other countries
(***) Unallocated income/expense

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

4. Cash and Cash Equivalents

Cash and cash equivalents consist of the following (TL):

	December 31, 2013	December 31, 2012
Cash	4.781	6.377
Banks		
- TL demand deposit	260.160	378.638
- Foreign currency demand deposit	598.556	507.358
- TL time deposit *	26.966.000	23.620.000
- Foreign currency time deposit **	7.293.501	1.547.789
Cheques received	3.134.106	7.279.399
	38.257.104	33.339.561

(*) As of December 31, 2013, the interest rate on TL time deposits is 8,60% (December 31, 2012 - 8,25% and 8,15%) and the maturity date is December 2, 2014.
(**) As of December 31, 2013, the interest rates on foreign currency time deposits are 1,5% and 0,10% (December 31, 2012 - 0,1% and 2%) and the maturity date is December 2, 2014.

The Company has no blocked cash and cash equivalents as of December 31, 2013 and 31 December 2012.

5. Financial Liabilities

Short term bank borrowings are as follows (TL):

	December 31, 2013			December 31, 2012		
	Amount in foreign currency	TL equivalent	Interest rate (%)	Amount in foreign currency	TL equivalent	Interest rate (%)
Short term bank borrowings		10.887.421			27.722.201	
TL loans (without interest)		507.059			361.239	
TL loans		10.000.000	(*) 10,35		-	
TL loans		-			20.000.000	(*) 7,60 - 14,00
TL loans		-			5.000.000	(***) 13,75
USD loans		-			-	
Interest accrued on short term loans		380.362			2.360.962	
Current portion of long term bank borrowing		17.619.857			25.803.913	
TL loans		7.666.667	(*) 11,00-6,25		3.333.333	(***) 13,00
TL loans		8.000.000	(***) 10,50		4.000.000	(**) 10,50
Euro loans		-			17.872.920	(*) 4,10
Interest accrued on current portion of long term loans		1.953.190			597.660	
		28.507.278			53.526.114	

(*) Interest payable at the end of the period; fixed interest rate.
(**) Interest payable every three months; fixed interest rate.
(***) Interest payable every six months; fixed interest rate.

5. Financial Liabilities (continued)

Long term bank borrowings are as follows (TL):

	December 31, 2013			December 31, 2012		
	Amount in original currency	TL equivalent	Interest rate (%)	Amount in original currency	TL equivalent	Interest rate (%)
Euro loans	9.000.000	26.428.500	(*) 3,65		-	
TL loans		8.000.000	(***) 10,50		16.000.000	(**) 10,50
TL loans		15.000.000	(*) 8,00		6.666.667	(***) 13,00
TL loans		9.000.000	(**) 6,25		-	
Current period instalments (-)						
		57.428.500			22.666.667	

(*) Interest payable at the end of the period; fixed interest rate.
(**) Interest payable every three months; fixed interest rate.
(***) Interest payable every six months; fixed interest rate.

There is no guarantee given for the borrowings received by the Company as of December 31, 2013 and December 31, 2012.

The repayment schedule of long term bank borrowings as of December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
Less than 1 year	17.619.857	25.803.913
1-3 years (*)	57.428.500	22.666.667
Short term portion of long term borrowings (-)	(17.619.857)	(25.803.913)
Total long term financial liabilities	57.428.500	22.666.667

(*) The loan amounting to TL 57.428.500 stated among long term loans as of December 31, 2013 matures in 1-3 years (December 31, 2012 - The loan of TL 22.666.667 matures in 1-3 years).

6. Other Financial Liabilities

Other short term financial liabilities are as follows (TL):

	December 31, 2013	December 31, 2012
Current value of forward exchange contracts (*)	14.500	50.840
	14.500	50.840

(*) The Company has made forward exchange contracts during the period for hedging risks that may arise upon foreign currency fluctuations.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

6. Other Financial Liabilities (continued)

As of December 31, 2013, the total nominal value of the outstanding forward exchange and option contracts is USD 6.500.000 (December 31, 2012 - USD 6.495.000) and AUD 1.000.000. In relation to these outstanding forward exchange contracts of the Parent Company, liabilities amounting to a total of TL 14.500 carried at the current value (December 31, 2012 - TL 50.840) is stated under the "other financial liabilities" account and assets amounting to a total of TL 122.450 is stated in the "other current assets" account in the financial statements.

Base currency	Nominal value	Maturity	Forward exchange rate
USD	3.500.000	22.01.2014	2,0948
USD	3.000.000	31.01.2014	2,1343
Total	**6.500.000**		
AUD	1.000.000	31.01.2014	1,8915
Total	**1.000.000**		

7. Trade Receivables and Payables

Short term trade receivables consist of the following (TL):

	December 31, 2013	December 31, 2012
Trade receivables from related parties	8.881.177	8.980.288
	8.881.177	8.980.288
Trade receivables	18.591.940	5.595.686
Post-dated cheques and notes receivable	147.725.591	161.173.813
Rediscount on trade receivables (-)	(64.657)	(39.598)
Rediscount on notes receivable (-)	(1.265.281)	(923.683)
Rediscount on post-dated cheques (-)	(2.010.913)	(1.463.889)
Doubtful receivables	26.550.749	25.070.714
Provision for doubtful receivables (-)	(25.866.204)	(16.642.679)
	163.661.225	172.770.364
	172.542.402	181.750.652

In calculating the discounted cost value for trade receivables, the effective interest rate for TL is 11,43% (December 31, 2012 - 6,87%); Libor and Euribor are used for USD and EUR, respectively.

Average maturity of trade receivables is 97 days (December 31, 2012 - 104 days).

7. Trade Receivables and Payables (continued)

As of December 31, 2013 and December 31, 2012, changes in provision for doubtful trade receivables are set out in the table below (TL):

	December 31, 2013	December 31, 2012
Opening balance	16.642.679	13.324.291
Provisions no longer required	(965.257)	(2.104.884)
Current period provision expense	10.188.782	5.423.272
	25.866.204	16.642.679

As of December 31, 2013 and 2012, overdue trade receivables for which no provision is made (including balances due from related parties) consist of the following. As of December 31, 2013 and 2012, the collaterals received from related entities cover the uncollected receivables; hence no additional provision has been made in relation to these amounts in the accompanying financial statements.

			Overdue receivables with no provisions made				
	Total	Outstanding receivables	30 days past due	30-60 days	60-90 days	90-180 days	180 days
December 31, 2013	**172.542.402**	**160.704.653**	**535.865**	**1.147.447**	**1.062.971**	**1.601.037**	**7.490.429**
December 31, 2012	181.750.652	172.265.747	349.681	1.424.842	488.372	5.091.685	2.130.325

As of December 31, 2013, the Company has guarantee letters, guarantee notes and mortgages in the amount of TL 36.895.163, TL 5.513.203, and TL 119.498.959, respectively, obtained against receivables (December 31, 2012 - Guarantee letters: TL 13.794.837, Guarantee notes: TL 10.562.821, Mortgages: TL 121.087.004) (Note 15).

Trade payables consist of the following (TL):

	December 31, 2013	December 31, 2012
Trade payables to related parties	1.047.233	1.000.368
	1.047.233	1.000.368
Trade payables	38.415.217	15.878.608
Notes payable	17.285.440	29.935.113
Rediscount on trade payables (-)	(93.410)	(128.104)
Rediscount on notes payable (-)	(184.213)	(503.260)
	55.423.034	45.182.357
	56.470.267	46.182.725

In calculating the discounted cost value for trade payables, the effective interest rate for TL is 11,43% (December 31, 2012 - 6,87%; Libor and Euribor are used for USD and EUR, respectively.

Average maturity of trade payables is 87 days (December 31, 2012 - 88 days).

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

8. Other Receivables and Payables

Short term other receivables consist of the following (TL):

	December 31, 2013	December 31, 2012
Other miscellaneous receivables	-	252.860
Deposits and guarantees given	154.054	149.698
Due from personnel	4.703	7.184
(Note 29 (iv))	158.757	409.742

Long term other receivables consist of the following (TL):

	December 31, 2013	December 31, 2012
Deposits and guarantees given	247.102	159.079
(Note 29 (iv))	247.102	159.079

9. Inventories

Inventories consist of the following (TL):

	December 31, 2013	December 31, 2012
Raw materials	6.329.656	5.669.260
Semi-finished goods	3.316.311	2.166.838
Finished goods	15.139.185	11.289.716
Trade goods	9.112.442	3.186.758
Provision for inventory (-)	(729.440)	(678.743)
	33.168.154	21.633.829

Changes in inventory provision as at 31 December 2013 and 2012 are as follows (TL):

	December 31, 2013	December 31, 2012
Opening balance	678.743	595.507
Increase / (decrease) during the period	50.697	83.236
Closing balance	729.440	678.743

10. Prepaid Expenses and Deferred Income

Prepaid expenses and deferred income consist of the following (TL):

	December 31, 2013	December 31, 2012
Short term prepaid expenses:		
- Advances given	7.407.363	2.277.122
- Expenses related to future months	327.663	315.546
	7.735.026	2.592.668

	December 31, 2013	December 31, 2012
Long term prepaid expenses:		
- Advances given	41.473	196.687
- Expenses related to future months	4.587	1.453
	46.060	198.140

	December 31, 2013	December 31, 2012
Deferred Income		
- Order advances received	34.576.258	37.775.162
	34.576.258	37.775.162

11. Current Tax Assets

As of December 31, 2013 and 2012, current tax assets consist of the following (TL):

	December 31, 2013	December 31, 2012
- Prepaid taxes and funds	1.779.435	-
	1.779.435	-

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

12. Tangible Assets

As of December 31, 2013, tangible assets consist of the following (TL):

Cost	Opening January 1, 2013	Additions	Transfers	Disposals	Closing December 31, 2013
Land	18.740.342	-	-	-	18.740.342
Land improvements	1.219.327	-	38.425	-	1.257.752
Buildings	28.330.757	-	2.607.368	-	30.938.125
Machinery and equipment	99.812.083	-	10.273.158	(71.098)	110.014.143
Motor vehicles	292.751	-	79.271	(59.952)	312.070
Furniture and fixtures	8.137.804	-	408.844	-	8.546.650
Investments in progress	4.528.293	17.087.011	(13.407.066)	-	8.208.238
Sub total	161.061.357	17.087.011	-	(131.050)	178.017.320
Accumulated depreciation (-)					
Land	-	-	-	-	-
Land improvements	(379.700)	(88.391)	-	-	(468.091)
Buildings	(6.279.280)	(903.984)	-	-	(7.183.264)
Machinery and equipment	(63.740.767)	(6.252.385)	-	38.315	(69.954.837)
Motor vehicles	(288.258)	(14.986)	-	59.952	(243.292)
Furniture and fixtures	(7.208.539)	(362.087)	-	-	(7.570.626)
Sub total	(77.896.544)	(7.621.833)	-	98.267	(85.420.110)
Net value	**83.164.813**	**9.465.178**	**-**	**(32.783)**	**92.597.210**

As of December 31, 2012, tangible assets consist of the following (TL):

Cost	Opening January 1, 2012	Additions	Transfers	Disposals	Revaluation value increase	Closing December 31, 2012
Land	7.686.339	-	-	-	11.054.003	18.740.342
Land improvements	1.104.674	-	68.581	-	46.072	1.219.327
Buildings	25.215.048	-	11.500	(8.000)	3.112.209	28.330.757
Machinery and equipment	90.883.483	-	10.499.505	(1.570.905)	-	99.812.083
Motor vehicles	292.751	-	-	-	-	292.751
Furniture and fixtures	7.998.879	-	138.925	-	-	8.137.804
Investments in progress	3.631.200	11.615.604	(10.718.511)	-	-	4.528.293
Sub total	136.812.374	11.615.604	-	(1.578.905)	14.212.284	161.061.357
Accumulated depreciation (-)						
Land	-	-	-	-	-	-
Land improvements	(309.094)	(70.606)	-	-	-	(379.700)
Buildings	(5.443.047)	(839.608)	-	3.375	-	(6.279.280)
Motor vehicles	(59.009.646)	(6.086.364)	-	1.355.243	-	(63.740.767)
Furniture and fixtures	(280.337)	(7.921)	-	-	-	(288.258)
Investments in progress	(6.792.421)	(416.118)	-	-	-	(7.208.539)
Sub total	(71.834.545)	(7.420.617)	-	1.358.618	-	(77.896.544)
Net value	**64.977.829**	**4.194.987**	**-**	**(220.287)**	**14.212.284**	**83.164.813**

12. Tangible Assets (continued)

The Parent Company recognized its land, land improvements and buildings at their fair values. The land and buildings owned by the Parent Company were subject to revaluation for the first time in 2002 by Lotus Gayrimenkul Ekspertiz Değerleme Anonim Şirketi and the difference between the fair value and the carrying value was recognized in the financial statements. Subsequently, Lotus Gayrimenkul Ekspertiz Değerleme Anonim Şirketi performed another revaluation study in 2008. As per the report prepared on the second study dated December 26, 2008, the difference observed between the fair value and the carrying value of the assets was considered immaterial; hence the Parent Company did not recognize this difference in the financial statements.

For the purpose of determining any change that might have occurred in the fair values of the Parent Company's land, land improvements, and buildings, the Management delegated to a valuation company licensed by the Capital Markets Board, namely, Denge Gayrimenkul Değerleme ve Danışmanlık A.Ş a valuation study to be performed. As a result of this study, the difference observed between the fair values and the carrying values of the assets as stated in the valuation report was recognized by the Parent Company in the financial statements. The fair values of land, land improvements and buildings were determined according to their market values. The revaluation of the said tangible assets was made at the market value in use.

In case of disposal of revalued assets, the revaluation funds of these assets are transferred to retained earnings. Furthermore, the difference between the depreciation calculated over the revalued asset and the depreciation calculated over the acquisition value of the asset is transferred from the revaluation fund to the retained earnings account during the course of utilization on annual basis.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

13. Intangible Assets

As of December 31, 2013, intangible assets consist of the following (TL):

Cost	Opening January 1, 2013	Additions	Disposals	Closing December 31, 2013
License	859.735	-	-	859.735
Trademark	3.987.406	-	-	3.987.406
Industrial design	71.645	-	-	71.645
Dealer list	2.274.223	-	-	2.274.223
Rights and other	703.642	1.118	-	704.760
Sub total	**7.896.651**	**1.118**	**-**	**7.897.769**
Accumulated amortization (-)				
Industrial design	(71.645)	-	-	(71.645)
Dealer list	(824.406)	(85.283)	-	(909.689)
Rights and other	(748.946)	(43.605)	-	(792.551)
Sub total	**(1.644.997)**	**(128.888)**	**-**	**(1.773.885)**
Net Book Value	**6.251.654**	**(127.770)**	**-**	**6.123.884**

As of December 31, 2012, intangible assets consist of the following (TL):

Cost	Opening January 1, 2012	Additions	Disposals	Closing December 31, 2012
License	859.735	-	-	859.735
Trademark	3.987.406	-	-	3.987.406
Industrial design	71.645	-	-	71.645
Dealer list	2.274.223	-	-	2.274.223
Rights and other	703.642	-	-	703.642
Sub total	**7.896.651**	**-**	**-**	**7.896.651**
Accumulated amortization (-)				
Industrial design	(71.645)	-	-	(71.645)
Dealer list	(795.978)	(28.428)	-	(824.406)
Rights and other	(648.348)	(100.598)	-	(748.946)
Sub total	**(1.515.971)**	**(129.026)**	**-**	**(1.644.997)**
Net Book Value	**6.380.680**	**(129.026)**	**-**	**6.251.654**

14. Goodwill

As of December 31, 2013 and 2012, goodwill consists of the following (TL):

Transaction date	December 31, 2013	December 31, 2012
October 21, 2004	**655.882**	655.882
	655.882	655.882

On October 21, 2004, the operations realized under the trademark "Winsa" were acquired by the Parent Company from Pilsa A.Ş. Pursuant to the IFRS 3 "Business Combinations", the Parent Company has recognized at fair value on the effective date of agreement (December 1, 2004) the identifiable assets and liabilities transferred within the scope of the acquisition, and the difference between the acquisition cost and the fair value of the identifiable assets and liabilities less deferred tax effect, was recognized as goodwill in the financial records.

As of December 31, 2013 and December 31, 2012, the positive goodwill amount is TL 655.882.

15. Provisions, Contingent Assets and Liabilities

As of December 31, 2013 and 2012, short term other provisions consist of the following (TL):

	December 31, 2013	December 31, 2012
Warranty provision	**648.344**	590.513
Provision for litigation	**203.246**	310.670
Provision for tax penalty (*)	**536.260**	536.260
	1.387.850	1.437.443

(*) In accordance with tax inspection reports issued by the Ministry of Finance Revenue Administration within the scope of tax inspection for 2007, tax penalty notifications issued were communicated to the Company within 2011. Accordingly, the Company was imposed with principal tax and tax loss penalty communicated on April 2, 2012 amounting to a total of TL 3.605.914. The Company initiated a tax case at Izmir 4th Tax Court against tax penalty on April 30, 2012. As a result of the first hearing held on December 6, 2012, a portion of TL 2.358.150 out of the tax penalties communicated to the Parent Company was reversed by the court. The date of the next hearing to be held for the balancing amount is not yet communicated to the Parent Company. Considering the current legal position and related evidence, the Management believes that the litigation process will be finalized in favor of the Parent Company. The Parent Company has made a provision of TL 536.260 in the accompanying financial statements as of December 31, 2013 and December 31, 2012 as a matter of prudence.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

15. Provisions, Contingent Assets and Liabilities (continued)

As of December 31, 2013 and 2012, guarantees, pledges and mortgages given/received by the Parent Company and its Subsidiary consist of the following (TL):

	December 31, 2013		December 31, 2012	
	TL equivalent	Foreign currency	TL equivalent	Foreign currency
Guarantee letters received				
Euro	14.741.302	5.020.025	5.138.522	2.185.025
USD	2.635.861	1.235.000	463.476	260.000
TL	19.518.000		8.192.839	
	36.895.163		13.794.837	
Guarantee notes received				
Euro	88.095	30.000	305.721	130.000
USD	1.484.573	695.578	1.239.938	695.578
TL	3.940.535		9.017.162	
	5.513.203		10.562.821	
Mortgages received				
Euro	160.459	54.643	128.504	54.643
TL	119.338.500	119.238.500	120.958.500	120
	119.498.959		121.087.004	
Total guarantees and mortgages received	161.907.325		145.444.662	
Guarantees given				
Euro	32.261	190.000	834.701	354.935
USD	22.712.213	60.000	2.432.907	1.364.808
AUD	2.371.382	7.193.282	31.562	17.082
TL	5.237.725		37.670.084	
	30.353.581		40.969.254	
Total guarantees given	30.353.581		40.969.254	

As of December 31, 2013 and 2012, charts for guarantee, pledge and mortgage position of the Parent Company and its Subsidiary are as follows:

Guarantees, pledges and mortgages given by the Company	December 31, 2013	December 31, 2012
a. Total amount of guarantees, pledges and mortgages given in the name of legal entity	30.353.581	40.969.254
b. Total amount of guarantees, pledges and mortgages given in favor of the parties included in the full consolidation	-	-
c. Total amount of guarantees, pledges and mortgages given to third parties for their liabilities in the purpose of conducting the ordinary operations	-	-
d. Total amount of other guarantees, pledges and mortgages	-	-
Total	30.353.581	40.969.254

As of December 31, 2013 and December 31, 2012, the Parent Company and its subsidiary have no guarantees, pledges or mortgages received from or given to related parties.

As of December 31, 2013, the other guarantees, pledges and mortgages given by the Parent Company and its subsidiary are equivalent to 0% of their equity (December 31, 2012 - 0%).

16. Commitments

a) The export commitments of the Parent Company and its Subsidiary are as follows:

The Parent Company and its subsidiary have export commitments in the amount of EUR 3.600.000 in relation to export incentives received on December 31, 2013 (December 31, 2012 - EUR 8.250.000 and USD 8.692.583).

b) The transactions made by the Parent Company and its Subsidiary in relation to operating leases are as follows:

The operating leases of the Parent Company and its Subsidiary amounting to EUR 790.253, USD 3.287.683 and TL 3.089.770 in total (December 31, 2012 - Euro 1.526.713, USD 2.657.683 and TL 2.139.930) consist of cars, forklifts, and warehouse rentals; and their maturities vary between 1-6 years. The portions of EUR 576.175, USD 892.500, and TL 845.253 of these amounts will mature in 1- 2 years.

17. Employee Benefit Obligations and Provisions

As of December 31, 2013 and 2012, employee benefit obligations consist of the following (TL):

	December 31, 2013	December 31, 2012
Taxes and funds payable	397.143	505.293
Social security premiums payable	323.232	378.256
Accrued wages	982.706	1.034.846
	1.703.081	1.918.395

As of 31 December 2013 and 2012, provisions for employee benefits consist of the following (TL):

Provision for unused vacation	December 31, 2013	December 31, 2012
Opening balance	696.160	467.008
Current year provision	(59.344)	229.152
Closing balance	636.816	696.160

Provision for termination indemnity	December 31, 2013	December 31, 2012
Opening balance	2.831.587	2.275.560
Provisions paid during the year	(155.513)	(289.808)
Interest cost	274.664	202.525
Service cost	251.378	230.863
Actuarial gains / (losses)	53.049	412.447
Closing balance	3.255.165	2.831.587
	3.891.981	3.527.747

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

18. Other Assets and Liabilities

As of December 31, 2013 and 2012, other assets and liabilities consist of the following (TL):

Other Current Assets	December 31, 2013	December 31, 2012
- Turnover premium cost accrual	1.676.760	1.229.713
- Deductible VAT (*)	1.661.350	-
- Other advances	275.580	69.412
- Current value of forward exchange contracts	122.450	-
	3.736.140	1.299.125

Other Short Term Liabilities	December 31, 2013	December 31, 2012
Taxes and funds payable	2.034.347	2.030.206
Expense provisions	422.255	758.394
	2.456.602	2.788.600

19. Equity

(a) Paid-in capital:

As of December 31, 2013 and 2012, the share capital and shareholding structure of the Company is as follows:

	December 31, 2013		December 31, 2012	
	TL	Shareholding (%)	TL	Shareholding (%)
Deceuninck	58.100.520	97,54	58.100.520	97,54
Public offering	1.466.380	2,46	1.466.380	2,46
Paid-in capital as stated in the legal books	59.566.900	100,00	59.566.900	100,00
Restatement difference	7.840.703		7.840.703	
	67.407.603		67.407.603	

As of December 31, 2013 and 2012, the upper limit of registered capital of the Company's is TL 120.000.000. As of December 31, 2013 and 2012, the historic value of the Company's paid-in capital is TL 59.566.900 consisting of 5.956.690.000 shares of Kr 1 nominal value each.

19. Equity (continued)

As of December 31, 2013 and 2012, the movement chart of the number of shares issued for the Company's share capital is as follows:

	December 31, 2013		December 31, 2012	
	Number of Shares	TL	Number of Shares	TL
January 1	5.956.690.000	59.566.900	5.956.690.000	59.566.900
Bonus issue transferred from retained earnings/prior year profits	-	-	-	-
End of period	5.956.690.000	59.566.900	5.956.690.000	59.566.900

For the purpose of spreading its financial debts to 4-5 years of maturity and increasing its share capital, Deceuninck NV, pursuant to the Share Pledge Agreement entered into on September 11, 2009, has pledged in favor of Fortis Bank NV/SA acting in the capacity of guarantee representative, a total of 16.980.361,712 shares representing approximately 28,5063 % of the Company's total share capital at TL 0,01 nominal value each on 15 September 2009 and a total of 41.120.158,313 shares representing approximately 69,0318% of the Company's total share capital at TL 0,01 nominal value each on September 16, 2009. In total, there is a right of pledge established on approximately 97,5382% of the Company's shares in favor of Fortis Bank NV/SA.

For the purpose of obtaining a refinance loan of Euro 140.000.000, the major shareholder Deceuninck NV acting in the capacity of loan receiver has pledged in favor of Fortis Bank NV/SA acting in the capacity of guarantee representative the entire number of its 58.100.520 shares of TL 0,01 nominal value each representing 97,5382% of the Company's share capital as per the Share Pledge Agreement signed on August 16, 2012 upon amendment dated July 16, 2012 made on the Loan Agreement dated September 11, 2009.

(b) Restricted Profit Reserves :

Restricted profit reserves consist of legal reserves. Legal reserves which are divided as First Legal Reserve and Second Legal Reserve as per the Turkish Commercial Code, are appropriated as below:

i. First Legal Reserve: Appropriated out of net profit at the rate of 5% until such reserve is equal to 20% of issued and fully paid capital.

ii. Second Legal Reserve: Appropriated out of net profit at the rate of 10% of distributions after providing for First Legal Reserve and an amount equal to 5% of capital as dividends.

Legal reserves which do not exceed one half of share capital may only be used to absorb losses or for purposes of continuity of the business in times of business difficulties and to prevent unemployment or lessen its effects.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

19. Equity (continued)

(c) Retained earnings / (Accumulated losses):

Changes in retained earnings/(accumulated losses) during the period are set out below (TL):

	December 31, 2013	December 31, 2012
Retained earnings	36.801.127	25.813.292
TAS 19 Adjustment	178.055	151.961
Transfer to legal reserves	(293.946)	-
Fixed asset revaluation adjustment (*)	298.398	251.048
Dividend payment	(5.917.804)	-
Prior year profit / (loss)	20.046.215	10.762.881
Retained earnings/(accumulated losses) of the Branch (**)	(27.986)	-
	51.084.059	36.979.182

(*) The land and buildings owned by the Parent Company were subject to revaluation in 2002, 2008 and 2012. The revaluation of these tangible assets was made at the market value in use. The difference between their carrying values and market values are stated in fixed asset revaluation fund under capital reserves. In case of disposal of revalued assets, the revaluation funds of these assets are transferred to retained earnings. Furthermore, the difference between the depreciation calculated over the revalued asset and the depreciation calculated over the acquisition value of the asset is transferred from the revaluation fund to the retained earnings account during the course of utilization on annual basis.

(**) The Company's branch in India started to operate in August 2012 and its effects were recognized in the financial statements as of December 31, 2013.

20. Sales and Cost of Sales

Sales consist of the following (TL):

	December 31, 2013	December 31, 2012
Imports	277.996.737	260.600.067
Exports	38.782.881	35.191.076
	316.779.618	295.791.143

Cost of sales consists of the following (TL):

	December 31, 2013	December 31, 2012
Direct raw material, semi-finished good and material expenses	163.327.198	149.769.005
Direct labor cost	2.351.609	1.909.562
Amortization and depreciation expenses	7.312.690	6.978.760
Other production costs	28.369.253	24.885.836
Total cost of production	201.360.750	183.543.163
Change in semi-finished goods	(1.149.473)	1.685.593
Beginning of the period	2.166.838	3.852.431
End of the period	(3.316.311)	(2.166.838)
Change in finished goods	(3.849.469)	1.258.433
Beginning of the period	11.289.716	12.548.149
End of the period	(15.139.185)	(11.289.716)
Change in trade goods	32.675.254	29.132.157
Beginning of the period	3.186.758	4.667.937
Purchases	38.600.938	27.650.978
End of the period	(9.112.442)	(3.186.758)
	229.037.062	215.619.346

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

21. Research and Development Expenses; Marketing, Sales and Distribution Expenses; General Administration Expenses

Research and development expenses; marketing, sales and distribution expenses; general administration expenses are as follows (TL):

Research and development expenses	December 31, 2013	December 31, 2012
Personnel expenses	304.018	248.896
Other	26.950	17.045
	330.968	265.941

Marketing, sales and distribution expenses	December 31, 2013	December 31, 2012
Personnel expenses	12.350.598	10.623.278
Customs and transportation expenses	10.908.706	7.900.808
Advertisement expenses	3.444.127	4.098.683
Exposition, exhibition and showroom expenses	752.375	662.785
Rental fees	3.321.838	2.596.304
Dealer promotion and meeting expenses	3.328.502	2.339.227
Sales premiums and commissions	466.311	249.579
Depreciation and amortization expenses	139.927	165.127
Other	4.018.936	3.204.202
	38.731.320	31.839.993

General administration expenses	December 31, 2013	December 31, 2012
Personnel expenses	5.997.415	5.656.359
Consultancy services	5.089.316	4.217.889
Provision for doubtful receivables, net	2.033.085	3.318.387
Taxes and similar expenses	659.914	248.162
Depreciation and amortization expenses	298.105	405.757
Communication expenses	131.489	153.467
Insurance expenses	397.443	373.871
Termination indemnity and unused vacation expenses	36.521	170.206
Other	1.424.998	1.519.972
	16.068.286	16.064.070

22. Other Operating Income/Expenses

Income and expenses from other operating activities consist of the following (TL):

Other operating income	December 31, 2013	December 31, 2012
Foreign exchange gains	8.478.100	5.548.178
Interest income	2.893.329	2.882.481
Forward earnings	1.387.892	-
Profit from sales of fixed assets	116.470	54.154
Insurance damage income	170.530	40.653
Other	764.511	586.711
	13.810.832	9.112.177

Other operating expenses	December 31, 2013	December 31, 2012
Foreign exchange gains	5.692.861	5.943.819
Waived receivables (*)	7.692.117	4
Leasehold improvements expense	-	181.889
Interest expense	1.411	57.572
Losses from sales of fixed assests	42.375	41.220
Inventory shortages	274.664	202.525
Forward losses	851.258	266.100
Special transaction tax	37.144	35.146
Other expenses	560.441	580.339
	15.152.271	7.308.614

(*) Receivables that are determined as uncollectible upon legal proceedings started by the Company against customers in default have started to be followed up as waived receivables under operating expenses.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

23. Expenses by Nature

Depreciation and amortization expenses	December 31, 2013	December 31, 2012
Production cost	7.312.689	6.978.759
General administration expenses	298.105	405.757
Marketing and sales expenses	139.927	165.127
	7.750.721	7.549.643

	December 31, 2013	December 31, 2012
Depreciation	7.621.833	7.420.617
Amortization	128.888	129.026
	7.750.721	7.549.643

Employee benefits	December 31, 2013	December 31, 2012
Wages and salaries	25.097.949	22.613.054
Social security premium expenses-employer's share	2.055.521	1.942.086
Other social expenses	6.353.045	5.755.361
Provisions for termination indemnity and unused leaves, net	311.185	170.206
	33.817.700	30.480.707

24. Financial Income and Expenses

Financial income and expenses consist of the following (TL):

Financial income	December 31, 2013	December 31, 2012
Foreign exchange gains	923.669	3.267.994
Interest income	-	-
Forward earnings	444.800	25.650
Other	-	-
	1.368.469	3.293.644

Financial expenses	December 31, 2013	December 31, 2012
Foreign exchange losses	5.564.858	3.065.739
Interest expense	6.904.655	8.628.553
Forward losses	-	331.740
Other	57.551	-
	12.527.064	12.026.032

25. Non-current Assets Held for Sale

As of December 31, 2013 and 2012, non-current assets held for sale consist of the following (TL):

	December 31, 2013	December 31, 2012
Opening balance	766.229	691.347
Addition	1.303.011	515.824
Disposal	(461.957)	(440.942)
	1.607.283	766.229

As of December 31, 2013 and 2012, non-current assets held for sale comprise land, stores and buildings acquired from customers against receivables whose collection has become doubtful. The Company Management intends to dispose of the mentioned real estate in the shortest time possible.

26. Taxes

a) Corporation Tax;

For 2013 and 2012, the corporation tax rate in Turkey is 20%. This rate is applicable to the tax base derived upon adding onto the commercial earnings of entities the disallowable expenses, and deducting exemptions and discounts as stated in the tax legislation. The corporation tax rate in India is 43% and the corporation tax rate in Chile is 20%.

Taxes payable as of December 31, 2013 and December 31, 2012 netted with the prepaid taxes are set out below (TL).

	December 31, 2013	December 31, 2012
Current period corporation tax	3.895.092	4.402.538
Taxes prepaid during the	(3.842.630)	(3.992.307)
Payable corporation tax	54.462	410.231

As of December 31, 2013 and 2012, the reconciliation between tax expense calculated by appliying the legal tax rate on profit before tax and the total tax provision stated in the statement of profit or loss and other comprehensive income is as follows (TL):

	December 31, 2013	December 31, 2012
Profit before tax	20.111.948	25.072.968
Tax expense /(income) at the rate of 20%	4.022.390	5.014.594
Effect of disallowable expenses	1.197.332	46.124
Effect of income exempt from corporation tax	(322.258)	(2.093)
Effect of other adjusting items	(479.527)	(31.872)
Current period tax (income) / expense	4.417.937	5.026.753

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

26. Taxes (continued)

b) Deferred tax assets and liabilities;

Deferred tax assets, liabilities, income and expenses and the temporary differences taken as basis for deferred tax calculations are as follows (TL):

	Deferred tax asset / (liability)		Deferred tax income / (expense)	
	December 31, 2013	December 31, 2012	**December 31, 2013**	December 31, 2012
Provision for doubtful receivables	**1.337.744**	1.060.221	**277.523**	(6.487)
Provision for termination indemnity	**597.984**	439.314	**158.670**	28.716
Actuarial loss on termination indemnity	**53.049**	127.003	**(73.954)**	82.489
Provision for unused vacation	**127.363**	139.232	**(11.869)**	45.830
Provision for litigation	**40.649**	62.134	**(21.485)**	-
Rediscount on receivables	**(81.518)**	485.434	**(566.952)**	(276.483)
Rediscount on payables	**(13.739)**	(126.274)	**112.535**	(108.376)
Expense accruals	**285.767**	468.966	**(183.199)**	(68.414)
Effect of consolidation elimination	**452.786**	-	**452.786**	-
Depreciation time differences and the effect of valuation of intangible assets in accordance with TFRS 3	**(6.787.146)**	(6.050.337)	**(736.809)**	(239.000)
Effect of fixed asset revaluation	**(1.878.659)**	(1.959.178)	**80.519**	(1.121.594)
Deferred Tax Asset/(Liability), Net	**(5.865.720)**	(5.353.485)	**(512.235)**	(1.663.319)

Changes in deferred tax liability for the periods ended December 31, 2013 and December 31, 2012 are set out in the table below:

	Deferred tax liabilities	
	December 31, 2013	December 31, 2012
Balance as of January 1st	**5.353.485**	3.627.404
Deferred tax (advantages)/expenses reflect to the statement of comprehensive income	**522.845**	624.215
Amount accounted for in the other comprehensive expenses account	**(10.610)**	1.101.866
Balance	**5.865.720**	5.353.485

27. Earnings per Share

Earnings/(loss) per share is calculated as follows:

	December 31, 2013	December 31, 2012
Profit/(loss) for the period	**15.694.011**	20.046.215
Weighted average number of ordinary shares at the beginning of the period *	**5.956.690.000**	5.956.690.000
Weighted average number of ordinary shares at the end of the period *	**5.956.690.000**	5.956.690.000
Earnings/(loss) per share (TL)	**0,2635**	0,3365

(*) per share of Kr 1 nominal value

Calculation of earnings per share is made by dividing the net income/(loss) for the current period by the weighted average number of outstanding shares.

Changes in the number of shares for the periods ended December 31, 2013 and December 31, 2012 are set out in the table below:

Number of shares	**December 31, 2013**	December 31, 2012
Beginning of the period/year	**5.956.690.000**	5.956.690.000
Bonus issues from internal sources during the year	**-**	-
End of the period/year	**5.956.690.000**	5.956.690.000

As of the reporting date, there was no transaction in relation to ordinary shares issued or planned to be issued other than those shown above.

Companies in Turkey are allowed to increase their share capitals through making transfers from various internal sources and extend bonus issues to shareholders based on this increase. In calculating earnings per share, the bonus shares are regarded as shares distributed as dividends. For that reason, these shares are deemed to be outstanding throughout the year in calculating the average number of shares.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

28. Related Party Disclosures

i. Trade receivables from related parties consist of the following (TL):

	December 31, 2013	December 31, 2012
Deceuninck (majority shareholder)	3.344.013	1.280.994
Other Deceuninck affiliates	5.537.164	7.699.294
Total (Note 7)	8.881.177	8.980.288

ii. Trade payables to related parties consist of the following (TL):

	December 31, 2013	December 31, 2012
EgePen Plastik San. Ve Tic. A.Ş (Ege Pen) (*)	1.046.656	999.640
Other	577	728
Total (Note 7)	1.047.233	1.000.368

(*) Debt arising from acquisition of a 20.000 m² of land owned by Ege Pen Plastik Sanayi ve Ticaret A.Ş. in Menemen Industrial Zone.

iii. Purchases of goods and services made from related parties for the periods ended December 31, 2013 and 2012 (TL):

	December 31, 2013	December 31, 2012
Deceuninck (majority shareholder)	1.540.785	6.994.341
Other Deceuninck affiliates	2.670.211	1.883.901
Total	4.210.996	8.878.242

iv. Sales made to related parties for the periods ended December 31, 2013 and 2012 consist of the following (TL):

	December 31, 2013	December 31, 2012
Deceuninck (majority shareholder)	3.095.685	2.743.437
Other Deceuninck affiliates	22.638.822	9.283.082
Total	25.734.507	12.026.519

28. Related Party Disclosures (continued)

v. Fixed asset purchases made from related parties for the periods ended December 31, 2013 and 2012 consist of the following (TL):

	December 31, 2013	December 31, 2012
Deceuninck (majority shareholder)	1.699.795	94.737
Other Deceuninck affiliates	-	-
Total	1.699.795	94.737

vi. Other purchases made from related parties for the periods ended December 31, 2013 and 2012 consist of the following (TL):

	December 31, 2013	December 31, 2012
Deceuninck *	4.458.334	4.256.245
Other Deceuninck affiliates	268.759	62.540
Egepen	246.707	285.033
Total	4.973.800	4.603.818

(*) As of December 31, 2013, the indicated amount consists of management service fee amounting to TL 3.909.560 (December 31, 2012 - TL 3.593.626) and foreign representative office expenses amounting to TL 522.227 (December 31, 2012 - TL 522.227) and other expenses.

Transactions with other Deceuninck affiliates consist of other expenses and the amount related to Ege Pen consists of trademark expenses.

vii. Salaries and similar benefits provided to top management such as CEO, Board Members, General Manager, General Coordinator, and Assistant General Manager of the Company for the period ended December 31, 2013 and 2012 amounts to TL 4.005.906 (December 31, 2012 - TL 3.903.158).

viii. The unaudited statutory financial data of the Subsidiary as of December 31, 2013 is as follows (TL):

	Deceuninck Importadora Limitada December 31, 2013
Total assets	12.692.826
Gross sales	3.295.282
Net profit/(loss) for the period	178.525
Equity	399.990
Current Assets	12.192.065
Non-current Assets	500.761
Short-term Liabilities	12.292.836
Long-term Liabilities	-
Total Comprehensive Income	178.525

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

29. Nature and Level of Risks Arising from Financial Instruments

Due to its operations, the Parent Company is exposed to various financial risks including the effects of changes in foreign exchange rates and interest rates in loan market and capital market prices. These risks comprise price risk, foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Parent Company's general risk management program focuses on the unpredictable and fluctuating characteristic of the financial markets and aims to minimize their potential negative impact on the financial performance of the Parent Company.

Some of the basic financial instruments of the Company are bank borrowings, cash, and short and long term bank deposits. The main purpose in using these instruments is to finance the Parent Company operations. Furthermore, the Company has financial instruments like trade receivables and trade payables which are directly related to operations.

The Parent Company Management manages these risks in the manner stated below, and monitors the market risks that may arise upon utilization of financial instruments.

i. Price Risk

Price risk is a combination of foreign exchange, interest, and market risks. The Parent Company's receivables and payables and interest bearing assets and liabilities cover and compensate each other provided that they are of the same currency; hence, the price risk is managed automatically. Market risk is monitored by market analyses and valuation methods.

ii. Interest Rate Risk

The Parent Company does not have significant interest-sensitive assets. The Parent Company's income and cash flows from its operations are mostly independent of the market interest fluctuations.

The Parent Company's interest rate risk arises from short and long term borrowings. The interest rates to be applied in the future periods will affect the loans to be received for the continuation of the Parent Company's operations in the subsequent period.

29. Nature and Level of Risks Arising from Financial Instruments (continued)

Interest rate position chart and related sensitivity analysis

As of December 31, 2013 and 2012, the interest rate position of the Parent Company is set out in the table below (TL):

Interest rate position chart		Current period	Prior period
		December 31, 2013	December 31, 2012
	Financial instruments with fixed interest rate		
	Assets the fair value difference of which is reflected to profit/loss	**-**	-
	Financial assets available for sale	**-**	-
Financial assets	Time deposits	**37.259.501**	25.167.789
Financial liabilities (Note 5)		**85.428.719**	75.831.542
	Financial instruments with variable interest rate		
Financial assets		**-**	-
Financial liabilities (Note 5)		**-**	-

iii. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Management monitors the funding risk of the Parent Company's current and potential loan requirements through maintaining continuous access to sufficient number of committed credit lines.

The Parent Company's liquid assets (current assets - (inventories+non-current assets held for sale) exceed its short term payables by a total of TL 98.400.728 as of December 31, 2013 (TL 74.606.077 as of December 31, 2012).

The maturity breakdown of the Parent Company's commercial and financial debts by due dates is set out in the table below as of December 31, 2013 and 2012.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

29. Nature and Level of Risks Arising from Financial Instruments (continued)

Current period

Expected or contractual terms	Carrying value	Contractual cash flows (=I+II+III+IV)	Up to 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Financial liabilities (non-derivative)						
Bank loans	**85.935.778**	**91.550.085**	**8.958.902**	**20.822.588**	**61.768.594**	**-**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Notes payable	**17.101.227**	**17.285.440**	**14.930.065**	**2.355.375**	**-**	**-**
Trade payables	**39.369.040**	**39.462.450**	**23.186.441**	**16.276.009**	**-**	**-**
Other payables (Deferred income)	**34.576.258**	**34.576.258**	**15.973.996**	**18.602.262**	**-**	
Expected or contractual terms						
Financial liabilities (derivative) (net)	**14.500**	**14.500**	**14.500**	**-**	**-**	**-**

Prior period

Expected or contractual terms	Carrying value	Contractual cash flows (=I+II+III+IV)	Up to 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Financial liabilities (non-derivative)						
Bank loans	76.192.781	81.663.568	36.377.818	20.255.500	25.030.250	-
Other financial liabilities	-	-	-	-	-	-
Notes payable	29.431.853	29.935.113	13.696.109	16.239.004	-	-
Trade payables	16.750.872	16.878.976	12.438.957	4.440.019	-	-
Other payables (Deferred income)	37.775.162	37.775.162	11.604.151	26.171.011	-	-
Expected or contractual terms						
Financial liabilities (derivative) (net)	50.840	69.502	69.502	-	-	-

iv. Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Management monitors such risks by minimizing the average risk for the counterparty in the agreements (other than related parties) and receiving collaterals when necessary. The Company's collection risk basically arises from its trade receivables from dealers or other customers. The Company monitors this risk either by extending the credit limits allocated to dealers up to the level of collaterals received or by receiving advance payments. The utilization of these credit limits are continuously followed up by the Management and the credit quality is regularly assessed taking into consideration the customer's financial position, past experience and other similar factors.

Trade receivables are evaluated by the Parent Company management based on past experiences and current economic condition, and are presented in the financial statements net of provision for doubtful receivables.

The Parent Company attempts to control credit risk by extending the range of its sales operations, avoiding undesired concentrations on persons or groups of a certain sector or region. The Parent Company also obtains collaterals from customers when appropriate.

29. Nature and Level of Risks Arising from Financial Instruments (continued)

iv. Credit risk (continued)

Maturity and guarantee structure of receivables and cash and cash equivalents (TL):

					Receivable
December 31, 2013	**Trade receivables (Note 7)**	**Related party (Note 7)**	**Other party (Note 8)**	**Cheques on collection (Note 4)**	**Cash and Banks (Note 4)**
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (1)	**163.661.225**	**8.881.177**	**405.859**	**3.134.106**	**35.122.998**
- Maximum risk secured by guarantee (2)	(161.907.325)	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	151.138.932	8.881.177	405.859	3.134.106	35.122.998
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-	-
C. Net book value of assets overdue but not impaired	11.837.748	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	26.550.749	-	-	-	-
- Impairment (-) (Note 7)	(25.866.204)	-	-	-	-
- Net value under guarantee	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-
- Impairment (-) (Note 7)	-	-	-	-	-
- Net value under guarantee	-	-	-	-	-
E. Off-balance sheet items having credit risk	-	-	-	-	-

(1) In determining the credit amounts, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.
(2) The collaterals received consist of guarantee notes, guarantee cheques and mortgages.

					Alacaklar
December 31, 2012	**Trade receivables (Note 7)**	**Related party (Note 7)**	**Other party (Note 8)**	**Cheques on collection (Note 4)**	**Cash and Banks (Note 4)**
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (1)	**172.770.364**	**8.980.288**	**568.821**	**7.279.399**	**26.060.162**
- Maximum risk secured by guarantee (2)	(145.444.662)	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	154.857.424	8.980.288	568.821	7.279.399	26.060.162
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-	-
C. Net book value of assets overdue but not impaired	9.484.905	-	-	-	-
D. Net book value of impaired assets	8.428.035				
- Overdue (gross book value)	16.434.680	-	-	-	-
- Impairment (-) (Note 7)	(15.187.377)	-	-	-	-
- Net value under guarantee					
- Not overdue (gross book value)	8.636.034	-	-	-	-
- Impairment (-) (Note 7)	(1.455.302)	-	-	-	-
- Net value under guarantee	-	-	-	-	-
E. Off-balance sheet items having credit risk	-	-	-	-	-

(1) In determining the credit amounts, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.
(2) The collaterals received consist of guarantee notes, guarantee cheques and mortgages.

29. Nature and Level of Risks Arising from Financial Instruments (continued)

v. Foreign currency risk

The Company carries foreign exchange risk due to its assets and liabilities denominated in USD and Euro.

The Company is also exposed to foreign exchange risk due to its transactions. Such risks arise from sales and purchases of goods and receiving bank loans denominated in currencies other than the Company's functional currency.

The Company monitors its foreign exchange risk by maintaining balance between its foreign currency assets and liabilities and changing its pricing policy in line with the currency fluctuations, and also through continuous analysis of its foreign currency position. The net foreign currency position of the Parent Company and its Subsidiary as of December 31, 2013 and December 31, 2012 is stated in detail below.

In total;

	December 31, 2013 (TL)	December 31, 2012 (TL)
A. Assets denominated in foreign currency	**42.981.666**	26.682.269
B. Liabilities denominated in foreign currency	**(54.570.571)**	(24.394.234)
Net foreign currency position (A+B)	**(11.588.905)**	2.288.035

29. Nature and Level of Risks Arising from Financial Instruments (continued)

The foreign currency position of the Parent Company and its Subsidiary as of December 31, 2013 is as follows:

					Table of Foreign Currency Position
					Current Period
December 31, 2013	**TL Equivalent Functional Currency**	**USD**	**Euro**	**AUD**	**GBP**
1. Trade receivables	35.205.311	302.051	10.500.939	1.972.168	-
2a. Monetary financial assets (including cash, bank accounts)	7.293.501	37.926	2.445.188	17.082	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	482.853	219.300	5.040	-	-
4. Current assets (1+2+3)	**42.981.665**	**559.277**	**12.951.167**	**1.989.250**	**-**
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	**-**	**-**	-	-	**-**
9. Total assets (4+8)	**42.981.665**	**559.277**	**12.951.167**	**1.989.250**	**-**
10. Trade payables	(27.250.196)	(5.628.142)	(5.179.891)	-	(7.775)
11. Financial liabilities	(769.033)	-	(261.888)	-	-
12a. Monetary other liabilities	(122.842)	-	(41.833)	-	-
12b. Non-monetary other liabilities	-	-	-	-	-
13. Short term liabilities (10+11+12)	**(28.142.071)**	**(5.628.142)**	**(5.483.612)**	**-**	**(7.775)**
14. Trade payables	-	-	-	-	-
15. Financial liabilities	(26.428.500)	-	(9.000.000)	-	-
16a. Monetary other liabilities	-	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-	-
17. Long term liabilities (14+15+16)	**(26.428.500)**	**-**	**(9.000.000)**	**-**	**-**
18. Total liabilities (13+17)	**(54.570.571)**	**(5.628.142)**	**(14.483.612)**	**-**	**(7.775)**
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	11.984.350	6.500.000	-	1.000.000	-
19a. Total hedged asset amount	1.888.600	-	-	1.000.000	-
19b. Total hedged liability amount	13.872.950	6.500.000	-	-	-
20. Net foreign currency asset/(liability) position (9+18+19)	**395.444**	**1.431.135**	**(1.532.445)**	**2.989.250**	**(7.775)**
21. Net foreign currency asset/ (liability)position of monetary items = (1+2a+5+6a-10-11-12a-14-15-16a)	**(12.071.759)**	**(5.288.165)**	**(1.537.485)**	**1.989.250**	**(7.775)**
22. Total fair value of financial instruments used for foreign currency hedging	15.761.550	6.500.000	-	1.000.000	-
23. Export *	47.513.394	1.196.625	17.511.467	553.684	-
24. Import *	131.853.306	41.082.990	21.238.393	21.515	22.667

(*) Average rate of exchange is used.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

29. Nature and Level of Risks Arising from Financial Instruments (continued)

The foreign currency position of the Parent Company and its Subsidiary as of December 31, 2012 is as follows:

				Table of foreign currency position
				Prior period
December 31, 2012	TL equivalent functional currency	USD	Euro	AUD
1. Trade receivables	22.218.024	338.656	7.540.747	2.100.320
2a. Monetary financial assets (including cash, bank accounts)	2.055.146	551.975	442.078	17.082
2b. Non-monetary financial assets	2.251.411	1.046.564	164.054	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	**26.524.581**	**1.937.195**	**8.146.879**	**2.117.402**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	157.688	70.950	13.272	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	**157.688**	**70.950**	**13.272**	**-**
9. Total assets (4+8)	**26.682.269**	**2.008.145**	**8.160.151**	**2.117.402**
10. Trade payables	(6.521.314)	(2.502.177)	(876.359)	-
11. Financial liabilities	(17.872.920)	-	(7.600.000)	-
12a. Monetary other liabilities	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-
13. Short term liabilities (10+11+12)	**(24.394.234)**	**(2.502.177)**	**(8.476.359)**	**-**
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16a. Monetary other liabilities	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-
17. Long term liabilities (14+15+16)	**-**	-	-	**-**
18. Total liabilities (13+17)	**(24.394.234)**	**(2.502.177)**	**(8.476.359)**	**-**
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	11.578.878	6.495.500	-	-
19a. Total hedged asset amount	-	-	-	-
19b. Total hedged liability amount	(11.578.878)	(6.495.500)	-	-
20. Net foreign currency asset/(liability) position (9+18+19)	**13.866.913**	**6.001.468**	**(316.208)**	**2.117.402**
21. Net foreign currency asset/ (liability)position of monetary items = (1+2a+5+6a-10-11-12a-14-15-16a)	**(121.064)**	**(1.611.546)**	**(493.534)**	**2.117.402**
22. Total fair value of financial instruments used for foreign currency hedging	11.578.878	6.495.500	-	-
23. Export *	35.133.555	1.407.441	13.773.604	-
24. Import *	94.673.299	30.491.547	17.257.060	-

(*) Average rate of exchange is used.

29. Nature and Level of Risks Arising from Financial Instruments (continued)

Due to exchange rate fluctuations, the Parent Company and its subsidiary are exposed to foreign currency risk while translating to Turkish Lira the foreign currency payables and receivables arising from trade operations with foreign entities. Such risks are monitored and controlled by regular analysis of the foreign currency position. The Parent Company and its subsidiary follow a policy of diversifying their foreign currency position in order to manage foreign currency risk that may arise from future trade operations and the related assets and liabilities recognized.

The following table demonstrates the sensitivity to a possible change of 10% in the USD, Euro and AUD exchange rates, with all other variables held constant, on the income before tax of the Parent Company and its Subsidiary as of December 31, 2013 and December 31, 2012.

				December 31, 2013
		Profit/Loss		Equity
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
When USD changes by 10% against TL:				
1- USD net asset/liability	(1.081.848)	1.081.848	-	-
2- Amount hedged from USD risk (-)	1.387.295	(1.387.295)	-	-
3- USD Net Effect (1+2)	**305.447**	**(305.447)**	**-**	**-**
When Euro changes by 10% against TL:				
4- Euro net asset/liability	(450.002)	450.002	-	-
5- Amount hedged from Euro risk (-)	-	-	-	-
6- Avro Net Effect (4+5)	**(450.002)**	**450.002**	**-**	**-**
When AUD changes by 10% against TL:				
7- AUD net asset/liability	375.690	(375.690)	-	-
8- Amount hedged from AUD risk (-)	188.860	(188.860)	-	-
9- AUD Net Effect (7+8)	**564.550**	**(564.550)**	**-**	**-**
When GBP changes by 10% against TL:				
10- GBP net asset/liability	(2.730)	2.730	-	-
11- Amount hedged from GBP risk (-)	-	-	-	-
12- GBP Net Effect (10+11)	**2.730**	**2.730**	**-**	**-**
Total (3+6+9+12)	**417.265**	**(417.265)**	**-**	**-**

				December 31, 2012
		Profit/Loss		Equity
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
When USD changes by 10% against TL:				
1- USD net asset/liability	(88.066)	88.066	-	-
2- Amount hedged from USD risk (-)	1.157.888	(1.157.888)	-	-
3- USD Net Effect (1+2)	**1.069.822**	**(1.069.822)**	**-**	**-**
When Euro changes by 10% against TL:				
4- Euro net asset/liability	(74.363)	74.363	-	-
5- Amount hedged from Euro risk (-)	-	-	-	-
6- Avro Net Effect (4+5)	**(74.363)**	**74.363**	**-**	**-**
When AUD changes by 10% against TL:				
7- AUD net asset/liability	391.232	(391.232)	-	-
8- Amount hedged from AUD risk (-)	-	-	-	-
9- AUD Net Effect (7+8)	**391.232**	**(391.232)**	**-**	**-**
Total (3+6+9)	**1.386.691**	**(1.386.691)**	**-**	**-**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated)

29. Nature and Level of Risks Arising from Financial Instruments (continued)

vi. Capital management

The capital management objectives of the Parent Company are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In parallel with the other entities in the sector, the Parent Company monitors its debt/equity ratios for capital management purposes. This ratio is calculated as net debt divided by total equity. Net debt is calculated as the total liability (total amount of short and long term liabilities in the statement of financial position) less cash and cash equivalents. Total share capital is the sum of all equity items recognized in the statement of financial position.

	December 31, 2013	December 31, 2012
Total debt	192.354.499	175.637.409
Cash and cash equivalents (-) (Note 4)	38.257.104	33.339.561
Net debt	154.097.395	142.297.848
Total equity	166.299.940	156.583.965
Debt/equity ratio	93%	91%

30. Financial Instruments

Fair value is the amount for which an asset could be exchanged or a liability settled in an arm's length transaction between knowledgeable willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, where one exists.

The Company has determined the estimated values of its financial instruments by using the available market information and best practices for valuation. However, fair value measurement requires interpretation and reasoning. Accordingly, the estimates arrived at may not always be the indicators of values that the Company would obtain from a current market operation.

The Company Management assumes that the carrying values of financial instruments approximate their fair values.

Financial assets -

These assets are cash and cash equivalents, relevant interest accruals and other short term financial assets, recognized at cost. As they are short term assets, their carrying values are deemed to approximate their fair values. The carrying values of trade receivables together after the relevant provisions are made for rediscount and doubtful receivables are deemed to approximate their fair values.

30. Financial Instruments (continued)

Financial liabilities -

Monetary debts whose carrying values approximate their fair values:

The fair values of trade payables and other monetary liabilities are estimated to approximate carrying value due to their short-term nature. Bank loans are stated at discounted cost and the transaction costs are added onto the initial recording of loans.The fair values of bank borrowings are considered to approximate their respective carrying values, since the interest rates applied to bank borrowings are updated periodically to reflect active market price quotations. The fair value of loans with fixed interest carried at a total of TL 85.935.778 is TL 91.046.526. The carrying values of trade payables net of rediscount provision are assumed to approximate their fair values.

Table of fair value measurement hierarchy

The Company classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:
Level 1: Market price valuation techniques for the determined financial instruments traded in markets
Level 2: Other valuation techniques includes direct or indirect observable inputs
Level 3: Valuation techniques does not contains observable market inputs
The hierarchy table of financial assets and liabilities carried at fair value as of December 31, 2013 is as follows:

	Level 1	Level 2 (*)	Level 3
Financial assets carried at fair value	-	1.888.600	-
Financial liabilities carried at fair value	-	13.872.950	-
Fair value of forward operations	-	11.984.350	-

(*) Fair value is measured taking as basis the market interest rates for the related currency effective in the remaining part of the contract.

31. Events After the Reporting Date

None

32. Other Issues Materially Affecting the Financial Statements or Requiring Disclosure for a Proper Interpretation and Understanding of the Financial Statements

	December 31, 2013 (TL Amount)	December 31, 2012 (TL Amount)
Total insurance on assets	352.380.362	211.921.042

Financial and Operational Key Performance Indicators

Some of the information stated in the financial statements of December 31, 2013 in comparison with the prior period is presented below.

Net Sales

TL 1000	31.12.2013	31.12.2012	Change %
Local	**277.997**	**260.600**	**7%**
Abroad	**38.783**	**35.191**	**10%**

Import & Export

Euro 1000	31.12.2013	31.12.2012	Change %
Exports	**18.814**	**15.296**	**23%**
Imports	**52.211**	**40.977**	**27%**

Financial Indicators

Liquidity Ratios	31.12.2013	31.12.2012
Current Ratio	2,06	1,67
Acid Test Ratio	1,79	1,52

Profitability Ratios	31.12.2013	31.12.2012
Gross Profit Margin	0,28	0,27
Equity Profitability	0,09	0,13

Leverage Ratios	31.12.2013	31.12.2012
Total Liabilities/Equity	1,16	1,12
Total Liabilities/Total Assets	0,54	0,53
Equity Ratio	0,46	0,47
Short Term Liabilities/Total Assets	0,35	0,44
Long Term Liabilities/Total Assets	0,19	0,09

Efficiency Ratios	31.12.2013	31.12.2012
Receivables Turnover	1,79	1,77
Inventory Turnover	8,36	8,23
Asset Turnover	0,88	0,89

Capital Management

In capital management, the Company aims to maintain the best capital structure so as to provide earnings to partners and benefits to other shareholders, and to decrease cost of capital.

Like the other entities in the sector, the Company monitors capital management by using the debt/equity ratio. This ratio is calculated by dividing the debt, net, by the total share capital. The net debt is calculated by deducting the value of cash and cash equivalents from the total debt (the sum of short and long term liabilities stated in the statement of financial position). The total share capital is the sum of all equity items stated in the statement of financial position.

	31.12.2013	31.12.2012
Total debt	**192.354.499**	175.637.409
Cash and cash equivalents (-)	**38.257.104**	33.339.561
Net debt	**154.097.395**	142.297.848
Total equity	**166.299.940**	156.583.965
Debt/Equity ratio	**93%**	91%

Proposal for Distribution of Profits

Our Company's profit distribution policy is disclosed in Section 1 Article 6 of the corporate governance principles compliance report attached to our activity report.

The proposal for distribution/non-distribution of profits stated in the audited financial statements prepared in accordance with TAS/TFRS issued by the Public Oversight Board pursuant to the Article 5 of the Capital Markets Board Communiqué Serial II / 14.1 on "Principles Regarding Financial Reporting on Capital Markets" published in the Official Gazette of 13 June 2013 no 28676, when determined, shall simultaneously be published as a material event disclosure in the Public Disclosure Platform.

Financial Risk Management

The financial risk management of our Company is disclosed in Article 29 of the Auditor's Report attached to our activity report.

Chapter 7
Other Matters

Insurance

The total insurance on assets by period is as follows (TL);

	December 31, 2013 (Amount TL)	December 31, 2012 (Amount TL)
Total insurance on assets	**352.380.362**	211.921.042

Chapter 8
Activity Reports of the Parent Company of the Group

The annual activity reports of the Parent Company Deceuninck NV are published on the internet at www.deceuninck.com.

Affiliation Report of the Board of Directors Prepared in Accordance with the Article 199 of the Turkish Commercial Code

The conclusion of the report prepared by the Board of Directors of our Company dislosing our relationship with the parent company and subsidiaries in accordance with the Article 199 of TCC is as follows:

There are no transactions made within the previous financial year with the parent company, or a subsidiary of the parent company, or made in favor of the parent company or one of its subsidiaries under the guidance of the parent company.

In the same operating period, there are no transactions or measures taken or avoided for the benefit of the parent company or a subsidiary of the parent company, and no offsetting transaction is carried out in relation to losses.

As there is no transaction made with the parent company or a subsidiary of the parent company, there were no measures taken or avoided based upon the conditions and circumstances known to us, hence there was no need for an appropriate counter action to be carried out in each transaction, and there were no losses incurred by the Company.

Pursuant to the requirement to prepare an affiliation report, we hereby declare that we prepared the affiliation report in compliance with the true and fair view accounting principle and for the purposes of;

a) Reporting transactions realized in favor of the parent company or against a subsidiary, if any;
b) Offsetting losses, if any;
c) Avoiding in favor of the subsidiary the unfavorable results of the risk of refraining from the benefits of the subsidiary in the interest of the group
d) Hence protecting the minority shareholders, suppliers, creditors and workers.

Also, we declare that our Company has not incurred any losses in 2013 as a consequence of any transaction based upon conditions and circumstances known to us.

Statement of Compliance with Corporate Governance Principles

Our company complies with and applies Corporate Governance Principles, issued by Capital Market Board in 2013 activity year.

Our company, as being subject to regulations of Capital Market Board with respect to public disclosure and transparency issues, fulfils its legal obligations in full; and periodically discloses its financial tables, footnotes and Independent Audit Reports to the public. Moreover, when extraordinary conditions are in question, it makes material disclosures at Borsa İstanbul Inc.

Our company, occupying an important position in plastic door and window sector, prioritise customer satisfaction.

In order to meet and settle demands and expectations of customers in the quickest way, Department of Customer Relations has been established. By means of questionnaires conducted periodically and mutual negotiations held with our dealers, the demands are evaluated and decisions are taken accordingly.

Chapter 1 - Shareholders

1.1. Shareholder Relations Unit

Our company has not established a separate unit for relations with shareholders; the relations with shareholders are managed by Banu Özberber and Ayşe Kara who have been assigned by Directorate for Financial Affairs.

Primary duties of the unit include the followings:

- Responding to information requests of shareholders,
- Ensuring proper organisation of General Assembly meetings,
- Preparing documents for shareholders with respect to General Assembly meetings,
- Ensuring that the results of voting are recorded and that the reports related to such results are notified to the shareholders
- Observing and monitoring every kind of issue with relation to public disclosure.

Banu ÖZBERBER Head of Accounting and Reporting	Ayşe KARA Accounting and Reporting Expert
T: +90 232 398 97 51 banu.ozberber@deceuninck.com	T: +90 232 398 97 60 ayse.kara@deceuninck.com

Ege Profil Ticaret ve Sanayi Anonim Şirketi
Corporate Governance Principles (January 1 - December 31, 2013 Period) Prepared in Accordance with Corporate Governance Communique (II-17.1)

1.2. Exercise of Shareholders' Rights to Information

Information requests of shareholders are met and shareholders are informed about issues such as general assemblies, stocks, profit distribution suggestions, etc. by our personnel assigned by Directorate for Financial Affairs.

During the period, 2 written information requests were made by our shareholders and such requests were responded.

All of information requests made and questions asked by our shareholders via telephone during the period have been responded.

Nearly all of questions asked by shareholders to our company are related to course of market prices of our stocks, sales turnover, periodical profit and payment of dividend. Such kind of questions are not answered in accordance with the Legislation of Capital Market Board if such information has not been disclosed to the public yet; if such information has already been disclosed to the public, the shareholders are made to obtain such information easily and accurately. General Briefings and Material Disclosures are made by means of Borsa İstanbul Inc. and PDP (Public Disclosure Platform).

In articles of association of our company, "request for assignment of private inspector" has not been regulated as an individual right; in such cases in which there is no provision in the articles of association, related articles of Turkish Code of Commerce are taken into consideration.

1.3. Information About General Assembly

Our company has held its Ordinary General Assembly meeting, related to the activities of 2012, on June 5, 2013 in the company headquarters located at Atatürk Organize Sanayi Bölgesi 10003 Sok. No:5 Çiğli-İZMİR

In the General Assembly the meeting has been held by a majority of 97,54%: out of 5.956.690.000 stocks, equal to 59.566.900,00 TL total capital of company, 5.810.052.200 of the stocks have been represented by proxy and 200.000 of the stocks have been represented personally.

In the articles of association of our company, it has been stated that shareholders representing at least 75% of company's capital should attend General Assembly meetings. Calls for such meetings have been made by means of notice published in 445-448 pages of Trade Registry Gazette dated 07.05.2013 and no. 8314. In such notice of meetings, the followings have been included: place, date and time of general assembly, text of amendment to the articles of association, sample of letter of attorney for attorneys to attend the general assembly meeting, the deadline for submitting the documents showing the amount of shares for attending the meeting, and date and place for submitting financial tables, board of directors, independent inspector and auditor reports of 2012 to the examination of shareholders.

In the General Assembly, the shareholders have not exercised their rights to ask questions and they have not made any suggestion.

Taking a decision with respect to below mentioned issues is possible only by Resolution of General Assembly:

i) Amendments in the articles of association,
ii) Appointment, discharge and revocation of members of Board of Directors (except for assignment of provisional member by the board of directors according to article 10 of articles of association),
iii) Approval of profit and loss account, annual balance sheet of company and distribution of profit, Issuance of bonds or other securities by company, save for provisions of additional clause 32,
vi) Liquidation and merger of company.

Unless a larger quorum is stipulated under legislation with respect to resolutions related to substantial transactions determined in accordance with the first clause of article 23 of Capital Market Law and with respect to resolutions related to limitation of rights to acquire new shares, authorisation of board of directors to limit the rights to acquire new shares in registered capital system and capital decrease, massive quorums included in article 20 of company's articles of association are applied.

Minutes of General Assembly Meetings are submitted for consideration of shareholders in company headquarters.

Attending General Assembly Meetings via Electronic General Assembly

Beneficiaries, holding the right to attend general assembly meetings of the company, may attend such meetings electronically under article 1527 of Turkish Code of Commerce. The company, under provisions of Regulations on General Assemblies held Electronically in Companies, may either establish a electronic general assembly system which enables beneficiaries to attend general assembly meetings electronically, to submit their opinions, to make suggestions and to vote, or buy service from systems established to this end.

However; considering that there is no obligation for companies traded in Second National Market of İstanbul Stock Exchange to hold electronic general assembly and such companies may voluntarily hold electronic general assembly, no stipulation has been included in company's articles of association with respect to holding electronic general assemblies, and the assembly has been held in physical media.

Donation and Grant Policy

Our company can make donations and grants to foundations, organisations, education and training institutions, public institutions and organisations by approval of the Management and within the framework of principles stated in Capital Market Board and Turkish Code of Commerce.

During such donations and grants, related regulations of Ministry of Finance are taken into consideration and organisations which are subject to tax exemption are given priority. With respect to the type, amount of donation and selection of the addressee institution, organisation or non-governmental organisation of the donation, compliance with social responsibility criteria is regarded. Besides these, donations and grants can be made to foundations, organisations, etc. which have been established in order to operate in the same activity field with the company.

Ege Profil Ticaret ve Sanayi Anonim Şirketi
Corporate Governance Principles (January 1 - December 31, 2013 Period) Prepared in Accordance with Corporate Governance Communique (II-17.1)

Detailed information is given in Ordinary General Assembly Meeting of the related year with relation to all donations and grants made within the period. As a matter of fact, in General Assembly of our company, the shareholders have been informed about the donations and grants made within the period.

1.4&5. Voting Right and Dissenters' Rights

According to our company's articles of association, each share has one voting right in Ordinary and Extraordinary General Assembly meetings, and there is no privileged share in voting.

In General Assembly meetings, votes are casted openly and by raising hands. However; upon request of shareholders representing 5% of the capital or representatives of such shareholders, it is obliged to conduct secret voting.

In general assembly meetings of our company, cumulative voting method is not used. Quorum in general assembly is composed of affirmative votes of ¾ of available votes, regardless of which meeting is being held.

1.6. Profit Distribution Policy and Profit Distributıon Time

According to our company's articles of association, after obligatory amounts, which are required to be paid and appropriated by the company such as general expenses and various depreciation, and taxes that are required to be paid by company's legal entity are deducted from the incomes determined at the end of account year, the remaining net profit included in annual balance sheet is distributed as shown below, after deduction of loss from previous year (if available).

Primary Reserve

a) 5% of such amount is appropriated as legal reserve.

First Dividend

b) First dividend is appropriated from the remainder at the rate and amount determined by Capital Market Board.
c) 10% of the remainder is distributed to the holders of dividend shares.

Second Dividend

d) After deduction of amounts stated in sub-clauses a, b and c from the net profit, the general assembly is authorised to distribute the remaining part as second dividend share partly or completely or to appropriate as reserves.

Secondary Reserve

e) After the deduction of 5% profit rate of paid-in capital from the part negotiated to be distributed to shareholders and other parties participating in profit, 1/10 (one tenth) of remaining amount is appropriated as secondary reserve under 3rd sub-clause of 2nd clause of article 519 of Turkish Code of Commerce.

f) Unless reserves required to be appropriated and first dividends determined for share in articles of association are appropriated, no resolution can be made towards appropriation of other reserves, transfer of profit to the next year; and unless first dividend is not distributed, no resolution can be made towards distribution of profit to members of board of directors, officers, personnel and workers.

The profit of our company to be distributed for the related year is prepared by considering legislative provisions and by means of a distribution policy which takes profit distribution suggestions submitted by our board of directors to the General Assembly, profitability of our company, expectations of shareholders and growth strategies of our company into consideration.

General Assemblies are held within 3 months following the end of account period each year; and profit distribution is made within due period in line with the decision taken by general assembly for the date of profit distribution. Profit distribution offer of Board of Directors and profit rate per share are included in activity report.

1.7. Transfer of Shares

There is no restrictive provision in company's articles of association with respect to the transfer of shares.

Chapter 2 - Public Disclosure and Transparency

2.1. Information Policy of the Company

Information policy of our company aims to present information related to former performances, future expectations and vision of our company, except for confidential trade secrets, to shareholders, capital market participants and public in a complete, fair, accurate, timely, comprehensible and equal manner within the framework of generally accepted accounting principles and Provisions of Capital Market and within the characteristic of the sector in which the activities are carried out.

The company complies with Turkish Code of Commerce (TCC), Legislation of Capital Market, regulations of Capital Market Board (CMB) and Borsa İstanbul Inc. (ISE) with respect to public disclosure; it attaches great attention to fulfil principles included in CMB Corporate Governance Principles within the framework of characteristic of the sector in which the activities are carried out. This policy regulates the written and oral communication between shareholders and beneficiaries of the company, and capital market participants.

Board of Directors is responsible for establishment, follow-up, review and improvement of Information Policy of the Company.

Public Disclosure Methods and Instruments
Save for Legislation of Capital Market Board and provisions of TCC; methods and instruments used by company with relation to public disclosure and information are as follows;

a) Material disclosures delivered to ISE via Public Disclosure Platform (PDP),
b) Central Registry Agency (CRA) "e-GOVERN: Corporate Governance and Investor Relations Portal",
c) Financial tables and footnotes, independent audit reports and statements delivered periodically to ISE via PDP,
d) Annual activity reports,
e) Corporate website { www.egeprofil.com.tr }
f) Announcements and declarations made by means of Turkish Trade Registry Gazette and daily newspapers,
g) Press releases made by means of printed and visual media,
h) Briefing and meetings held with Capital Market Participants face-to-face or by means of tele-conference,
i) Communication methods and means such as telephone, electronic mail, tele-fax, etc.

Persons Authorised to Make Public Disclosure
Except for above mentioned notifications, authority limits of persons authorised to make disclosure with relation to the requested information have been determined in accordance with the level of such information. Every kind of question and explanation submitted to the company may be answered in written or orally by Chairman and Members of Board of Directors, Members of Supervisory Committee, Director General and people assigned by Directorate for Financial Affairs within the limits of such authority.

Personnel other than such people are not authorised to respond to written and/or oral information requests made by capital market participants.

Material Public Disclosures
Material disclosures are prepared by the person assigned by Directorate for Financial Affairs and delivered to ISE by means of PDP after signed electronically by two authorised persons, and disclosed to public on website of the company.

Material disclosures are prepared in a timely, accurate, not-misleading and comprehensible manner in order to help people and entities to benefit from such disclosure take decision.

In the event that company personnel notices that material and important information, which was disclosed to public, has been disclosed unintentionally, he/she informs the officers of Directorate for Financial Affairs about such situation. In such a case, a material disclosure is prepared in line with provisions of Capital Market Legislation and delivered to ISE by means of PDP.

Our company has made 21 material disclosures in 2013. All of such disclosures have been made within the framework of Public Disclosure Principles and in accordance with the legislation. No amendment or additional disclosure has been made by Borsa İstanbul Inc. or Capital Market Board with respect to the material disclosures of 2013.

Disclosure of Financial Tables to the Public
Interim and annual financial tables of the company are prepared within the framework of provisions determined by Capital Market Board and in line with International Financial Reporting Standard. Such tables are subjected to independent audit for periods stipulated by the legislation, and after the assent of Supervisory Committee and approval of Board of Directors, delivered to ISE via PDP together with the state of responsibility and afterwards disclosed to the public within the framework of Capital Market legislation. Interim and annual financial tables related to former periods can be found in the website of the company.

Corporate Website
Website of our company is www.egeprofil.com.tr. Upon entering our site, automatic transition is made to www.egepen.com.tr and www.winsa.com.tr. The site includes information about our Egepen Deceuninck and Winsa products, which are our brands, our dealers and services. By means of www.deceuninck.com link included in the site, information about Deceuninck Group can be obtained.

In the website of company, information determined by TCC and Capital Market Board Corporate Governance Principles are provided and such information is updated in accordance with the amendments.

Notices for General Assembly meetings, agenda items, documents related to agenda items and other information, documents and reports related to agenda items and information about participation into General Assembly are included in the site remarkably.

Disclosures made in the website of company do not replace notices and material disclosures required to be made under provisions of Capital Market Legislation.

Every kind of measure is taken with relation to safety of website of the company and activities towards improving such website are carried out continuously.

Website of company provides easy access to former and current information disclosed to the public. Public disclosures are published in Turkish and/or in English.

General Assembly Meetings
Financial tables and reports, including the annual activity report, profit distribution suggestions, assignment of independent audit company, policies required to be established according to CMB, other documents constituting a basis for agenda items of General Assembly and current version of Articles of Association and text of amendment, if changes will be made in the Articles of Association, are kept open to the examination of shareholders in company headquarters and website, at accessible points. Agenda topics of General Assembly are stated clearly and non-deceptively.

Activity Report
Content of activity report is prepared in accordance with TCC, Capital Market legislation and CMB Corporate Governance Principles. The Activity Report is submitted to the approval of Board of Directors, presented to shareholders in General Assembly meeting and published in the website.

Announcements and Declarations made by means of Turkish Trade Registry Gazete and Daily Newspapers
Under Capital Market Law, TCC and the Articles of Association, declarations related to amendments in articles of association, capital increase and profit distribution are made by means of Turkish Trade Registry Gazete and Daily Newspapers.

Media Disclosures
Organisation of Press Conference in any subject and/or disclosure by means of Pres Release is made by the instruction of Director General. In important cases, approval of Board of Directors is obtained.

Such Press Conference and/or Press Release are notified to press agencies of Corporate Communication Department.

Determination of parties with administrative responsibility and formation of list related to parties having access to internal data
People with administrative responsibility are not the members of management and supervision organs of the company; they are the ones who have direct or indirect access to internal data related to the company or the ones who have close association with such people.

List of people having access to internal data is sent electronically to the related organisation which represents us in Central Registry Agency to carry out our transactions, and printed lists are saved electronically in the company.

Deferral of disclosure of internal data to the public
Information defined as internal data includes the information which has not been disclosed to the public yet and which can affect the value of issued public securities and decision of investors holding or acquiring such securities towards investment.

In order to prevent damage of legal rights and benefits, postponing the disclosure of internal data is subject to the authorisation of Board of Directors and/or Director General. Maintenance of the confidentiality of such information during deferral period is under the responsibility of personnel having access to such information, and measures required for maintenance of confidentiality are taken by Directorate General and disclosure is made after the elimination of reasons causing deferral.

Measures for maintenance of confidentiality of internal data until being disclosed to the public
It is attached importance to ensure that company personnel comply with the rules related to the usage of internal data.

Company personnel protect the information which they have learned and which is considered as trade secret while working and afterwards; they do not use such information directly or indirectly.

Communication with Capital Market Participants
The company has not been established a separate unit for relations with shareholders; and relations with shareholders are carried out by people assigned by Directorate for Financial Affairs.

Procedures and Follow-up Mechanism to be used with respect to News published by Press-Media Organs
By means of media follow-up agency, printed and visual media is followed on a daily basis. Moreover, news published with relation to the company in other subscribed data broadcasting channels is followed. Content of news related to the company are evaluated by the Directorate General and Material Disclosure is made when required.

Baseless News Afloating in the Market
The company, as a principle, does not render opinion about the market rumours and speculations related to itself. Disclosures are made with respect to such market rumours when verification request is made by CBM and/or ISE within the provisions of Capital Market Legislation or when Company management considers it necessary and appropriate.

Declarations towards the Future
Declarations related to the expectations of company towards future are made only by people authorised to make public disclosure by the approval of Board of Directors and/or Director General within the framework of Information Policy of the Company.

Enforcement
This Information Policy has entered into force by submission to the information of Company's General Assembly. In case of a need for amendment in the information policy, such amendment is submitted to the information of General Assembly after the approval of Board of Directors and disclosed to the public accordingly.

2.2. Corporate Website and Content

Website of our company is www.egeprofil.com.tr. Upon entering our site, automatic transition is made to www.egepen.com.tr and www.winsa.com.tr. The site includes information about our Egepen Deceuninck and Winsa products, which are our brands, our dealers and services. By means of www.deceuninck.com link included in the site, information about Deceuninck Group can be obtained.

In the website of company, information determined by TCC and Capital Market Board Corporate Governance Principles are provided and such information is updated in accordance with the amendments.

Notices for General Assembly meetings, agenda items, documents related to agenda items and other information, documents and reports related to agenda items and information about participation into General Assembly are included in the site remarkably.

Disclosures made in the website of company do not replace notices and material disclosures required to be made under provisions of Capital Market Legislation.

Every kind of measure is taken with relation to safety of website of the company and activities towards improving such website are carried out continuously.

Declaration of Natural Person Ultimate Controlling Shareholder/Shareholders

Our company has no natural person ultimate controlling shareholder. Current partnership structure of our company is as follows:

	December 31, 2013	
	(TL) Amount	% Share
Deceuninck NV	58.100.520	97,54
Public offering	1.466.380	2,46
Total	**59.566.900**	**100,00**

Website of company provides easy access to former and current information disclosed to the public. Public disclosures are published in Turkish and/or in English.

2.3 Activity Report

Content of activity report is prepared in accordance with TCC, Capital Market legislation and CMB Corporate Governance Principles.

The Activity Report is submitted to the approval of Board of Directors, presented to shareholders in General Assembly meeting and published in the website.

Disclosure of people who can learn internally to the public
Moreover, in the activity report of our company, list of department managers, Director General, members of Board of Directors and Supervisory Committee is included.

Chapter 3 - Beneficiaries

3.1. Informing Beneficiaries

The beneficiaries are informed by means of material disclosures with relation to the activities of our company within the framework of general assemblies and public disclosure principles. Such informing activity is carried out by means of activity reports, Borsa İstanbul Inc. and PDP (Public Disclosure Platform).

Moreover, compensation policy towards the company personnel has been declared within human resources policy.

3.2 Participation of Beneficiaries into Management

Our company regularly and quarterly holds meetings with department managers and directors and high level managers in order to ensure participation of personnel at various levels into management; during such meetings annual goals are controlled, representation is made on the basis of departments, and opinions are exchanged with relation to the agenda of the meeting. The decisions taken in such meetings are applied by the departments and necessary improvement activities are carried out.

Ege Profil Ticaret ve Sanayi Anonim Şirketi
Corporate Governance Principles (January 1 - December 31, 2013 Period) Prepared in Accordance with Corporate Governance Communique (II-17.1)

3.3. Human Resources Policy

The Human Resources Department carries out successful, contemporary and strategic human resources practices, in cooperation with other departments and on the basis of compliance with mission, vision and basic values of our company and being aware of the fact that human is the most effective resource in achieving the goals. The objective of our human resources policy is as follows:

To carry our company to the future with our personnel who adopts the company soul and who has high motivation, professional satisfaction and performance, and to ensure our company to realise long-term goals.

In this context, our basic principles are as follows;

- Creating a working environment for our personnel, in which they can improve themselves personally and professionally, organising education programmes towards increasing knowledge, skills and personal development of them.
- Measuring and evaluating the performance by means of objective criteria,
- Awarding high performance, and providing support for improvement of low performance,
- Creating a healthy and peaceful working environment in terms of occupational safety and occupation health,
- Organising social events to increase spirit and motivation of the personnel. Ensuring sense of belonging, unity and solidarity,
- Taking measures to increase productivity and enhance working conditions.

Recruitment Policy
The most important resource of our success consists of our personnel. Therefore, our basic aim during selection and recruitment process is to fill open positions with people who have qualities and competencies that comply with policies of our company.

Our Human Resources department offers equal opportunities to all candidates and makes no discrimination related to age, race, colour, religion, gender, physical disability, nationality, sexual orientation, being veteran or legal protection.

Our entire recruitment process is fulfilled within the framework of rules defined in our "Personnel Demand and Recruitment Procedure".

Suitability of the personnel to be recruited for the related position is evaluated in line with his/her suitability for current terms of reference.

Human resources department and related manager make two interviews with the suitable candidates. The candidates being successful in such interviews are subjected to personality inventory analysis, foreign language test and other tests.

Education Policy
Our company, believing that human is one of the most important capitals of the company, acts by the principle of constant investment in human. In this context, all our employees undergo several education programmes in order to fulfil their professional and personal development. In line with performance evaluations made throughout the year and requirements of the position, training plans are prepared and applied within the year.

Our company, showing great sensitivity to the health and safety of the personnel, organises various Occupational Safety and First Aid training programmes for all employees throughout the year.

Compensation Policy
Our company has taken Labour Law no. 4857 as a reference while establishing its compensation policy for the personnel.

Within this framework;
Severance pay is paid, on the basis of working period and fee of the related personnel, to the personnel whose employment contract terminates as a result of cases stipulated in law no. 4857, or to the heir of such personnel, pursuant to articles 14, 24 and 25 of the respective law.

Notice pay is paid to the worker in cash or used as permission for job seeking given to the worker by notifying that his/her employment contract will be terminated, pursuant to article 17 of law no. 4857.

3.4. Information About Relations with Customers and Suppliers

Our company tries to meet demands and expectations of both the customers and suppliers by means of multilateral communication in order to increase satisfaction.

To this end, visits are made with relation to customers and suppliers and demands and expectations are learned at first-hand by means of customer questionnaires and solutions are searched. A department has been established in order to receive complaints of final customers with respect to the products manufactured by our company. Easy access has been facilitated to this department by means of every kind of communication means. Quality deficiencies, resulting from manufacturing, are immediately eliminated after several examinations.

3.5. Ethical Rules and Social Responsibility

Ethical Rules
Our partner Deceuninck NV has declared its Corporate Codes of Conduct, which it established in all its participation companies, to the personnel of our company in 2004; and during current recruitments, such codes are signed. The objective of Corporate Codes of Conduct includes presenting our commitment to high ethical standards and reinforcing immediate and consistent actions towards preservation of such standards. All employees undertake to comply with high ethical and social codes of conduct in terms of content and essence of the document.

Mutual Responsibility
You and your ideas create value and success for the company. We have to value and respect for special character and contribution of each employee.

Diversity
We encourage diversity among our employees. Diversity of individuals and opinions is a commercial advantage for our company.

Equal Opportunity
No discrimination is allowed against an employee or a partner due to age, race, colour, religion, gender, physical disability, nationality, sexual orientation, being veteran or legal protection.

Harassment and Violence in the Workplace
Harassment and violence are severely prohibited in the workplace and such actions are not tolerated. Behaviours resulting in an unwelcomed or irritating ambience or an unfriendly working environment, such as undesired intimacy or sexual demands, inappropriate words, jokes, intimidation or physical contact, are types of harassment in the workplace.

Safety and Health
We guarantee to create a safe and healthy workplace and to care for ourselves, company and environment. Each of us is liable to abide by health and safety rules which are in force in the workplace.
We are all responsible for protecting ourselves and colleagues against accidents, injuries and unsafe events. Moreover, cases threatening the health and safety should be reported immediately and we have to take steps required for eliminating such cases.

Use of Alcohol/Substance
We guarantee to create a workplace without substance use. Working under the effect of alcohol or substance endangers us and the others. Using, keeping and distributing drugs and alcohol, which are not allowed, during working hours or at company facilities are prohibited. In special occasions, alcohol use can be allowed exceptionally by the management. Employees are encouraged to undergo treatment for alcohol and substance addiction.

Wage
Personnel of Ege Profil Inc. is not paid wages below than the minimum legal wages or the wages in the sector.

Human Rights
Ege Profil Inc. guarantees to protect rights of people throughout the world. To this end, our company supports the following standards:

- Presenting equal opportunities for employees at every level, regardless of age, race, colour, religion, gender, physical disability, nationality, sexual orientation, being veteran or legal protection.

- Providing a safe and healthy workplace in which human heath and environment are protected.

- Personnel is not paid wages below than the minimum legal wages or the wages in the sector. Opportunities to improve their skills and competencies are offered.

- Our company does not employ children and does not support employment of children. Child workers are defined as people below the minimum age allowed by the law. Ege Profil Inc. does not employ people below the age of 16.

- Our company makes contracts with its employees on voluntary basis. The company does not force anybody to work for itself directly or indirectly, and does not support involuntary workforce.

Information Technology Resources
As Ege Profil Inc., we have to use information technology resources in a responsible manner and by means of ethical methods complying with the related rules. Access to unethical information (over websites with porn, violence or racist, etc. contents) is prohibited.

Responsibility Towards the Company

Conflict of Interest

Commercial resolutions and activities made on behalf of company should never be affected from personal views or relations. We should not use company assets, information and position for personal or family-related interests. When we establish business relation with family members of close friends in or out of the company, or when a family member has a direct or indirect financial interest with relation to any business, conflict of interest may arise. In case that external interest affect our capacity to carry out our work in the manner stipulated by the company, the same situation can occur. We should not make an attempt to include in a business that competes with the company or to acquire a property or similar assets, from which the company may gain advantage, before offering such opportunity to the company first.

Responsibility Towards Public Opinion

Environment
Protection of environment is a right choice and a part of our corporate strategy. We make commitment towards each other for protection of company and the environment. In all our activities, we try to reduce wastes, emissions and substances left in the environment. We use, process, carry and dispose all raw materials, products and wastes in a safe manner. Moreover, we help others comprehend environmental responsibility they have while using our products. We make effort to carry our environmental practices to the future together with public institutions, contractors and communities. The commitment that we make for the environment is a shared responsibility. Nobody can assert the contrary.

Responsibility Towards Our Business Partners

External Commercial Activities
We have to be honest towards our suppliers and contractors. We believe in carrying out business with people who adopt and display high standards in their commercial activities. We do not lean towards suppliers who have breached the laws including environmental, professional and safety laws.

Ege Profil Ticaret ve Sanayi Anonim Şirketi
Corporate Governance Principles (January 1 - December 31, 2013 Period) Prepared in Accordance with Corporate Governance Communique (II-17.1)

Responsibility Towards the Law

Legal conduct standards constitute the minimum acceptable conduct level for us. We have to abide by the law; but we also aim a higher level of standard. Spirit of our corporate codes of conduct helps us in all material cases.

Accordingly, we have to comprehend the aim and spirit of our corporate codes of conduct and we have to consult to the related parties when we feel undecided about our preferences related to our acts.

Socıal Responsibility

İzmir manufacture plant of our company has been certified since 2007 and Kocaeli Sarımeşe manufacture plant has been certified since 2008 with TS EN ISO 9001 Quality Management, TS EN ISO 14001 Environment Management System and TS 18001 Occupational Health and Safety Management Systems standards.

Our company has not been encountered with any blame or sanction with respect to environmental protection. In 2007, it ended using lead stabilizer and started using calcium-zinc stabilizer, and accordingly leaded the sector in another field. By using 90% of wastes produced during manufacture stage, it carries out a recycling process. In manufacture plants of our company, which is not subject to emission permit, an important step has been taken towards the prevention of air pollution by converting the heating system into natural gas. Reversible wastes are separated and collected and given to licensed institutions for recycling. Hazardous wastes are also given to licensed institutions and disposed without damaging the environment.

In our factories, which are not subject to noise permit, noise level is measured day and night in the manufacturing plants and around, and the level is tried to be kept within the legal limits.

There is not claim filed against our company due to any damage given to the environment.

Chapter 4 - Board of Directors

4.1 Function of Board of Directors

The Board of Directors manages and represents the company by keeping risk, growth and return balance of company at the optimal level by means of its strategic decisions and looking after primarily the long-term interests of the company with a rational and precautionary risk management approach.

It defines strategic goals of the company, and determined human sources and financial resources to be required by the company.

It monitors compliance of company activities with the articles of association, legislation, internal directives and policies.

Task fields, working principles and members of committees to be established within the Board of Directors are determined by the Board of Directors in accordance with provisions of TCC and Capital Market legislation and disclosed to the public.

Company rules and policies, required to be established under Capital Market Legislation, are prepared by the Board of Directors, and submitted to the information or approval of General Assembly when required, and declared.

4.2. Activity Principles of the Board of Directors

According to company's articles of association, the Board of Directors meetings can be held at all times when considered necessary; however, the board of directors has to convene at least four (4) times in a year, within three months at the latest as of the previous meeting of board of directors.

Members are invited to the meetings in written by secretary of Directorate General. The agenda of the meeting is determined by means of negotiations made by Chairman of Board of Directors with the members. The validity of decisions of Board of Directors has been regulated in the articles of association; the Board of Directors meets by majority of total number of members and takes decision by majority of members attending the meeting.

The members of Board of Directors reserve their rights to reject against the decision and report a minute of dissent. According to company's articles of association, veto power against decisions of Members of Board of Directors has not been regulated.

Prohibition of Doing Business and Competition with Company with respect to Members of Board of Directors

In our company's articles of association, there is no regulation related to the prohibition of doing business and competition with the company within the period with respect to Chairman and members of Board of Directors; however, they cannot make any transaction in the company personally or indirectly on their own behalf or on behalf or account of others without obtaining consent of general assembly. In case of detection of any transaction, related provisions of Turkish Code of Commerce are applied.

In General Assembly of our company, the members of Board of Directors have been granted with the powers listed in articles 395 and 396 of TCC.

In activity year of 2013, the members of board of directors have not carry out any transactions related to the company and they have not engaged in initiatives which would compete in terms of activity fields.

In 2013, 20 Board of Directors meetings were held in total.

4.3. Structure of Board of Directors

The Board of Directors is composed of at least 5 (five) members selected by general assembly among shareholders or externally within the framework of provisions of TCC.

The Board of Directors is organised in a manner enabling its members to carry out productive and constructive activities, to take quick and rational decisions, to establish committees and to regulate their works in an efficient way. The number of members to take charge in the board of directors but not engage in executive works, and the number of independent members, their qualities and appointment procedures are determined in accordance with related legislative provisions of Capital Market and regulations of Capital Market Board with relation to corporate governance. Members of Board of Directors are selected by general assembly in accordance with provisions of Capital Market Legislation, Turkish Code of Commerce and Company's Articles of Association. With respect to independent members, the members whose term of office ends may be re-selected, provided that provisions of capital market legislation should be applied.

The company is managed and represented by the Board of Directors.

Members of Board of Directors are assigned for a period of maximum three years. The members whose terms of office end may be re-assigned. In case of vacancy in membership for any reason, the board of directors temporarily selects a person bearing legal conditions as member of board of directors.
Such selected temporary member maintains his/her duty until the first general assembly meeting, and upon the approval of general assembly he/she completes the term of office of former member.
In case of selection of a legal entity as the member of board of directors, only one natural person, determined by such legal entity, is registered and announced on behalf of the legal entity; moreover, such registration and announcement is declared on the website of company. Only such natural person can attend the meetings and vote on behalf of the related legal entity. Members of board of directors and the natural person representing a legal entity should be fully competent.

The members of board of directors share tasks among them after being selected. The Board of Directors, pursuant to an internal directive, is authorised to transfer management partly or completely to one or more members of board of directors or to a third party.

4.4. Type of Meetings of Board of Directors

The Board of Directors can be called for meeting at any time upon request of one of its members or ex-officio by the chairman of board of directors. However, the board of directors has to convene at least four (4) times in a year, within three months at the latest as of the previous meeting of board of directors. The Board of Directors meets by majority of total number of members and takes decision by majority of members attending the meeting.

The members of the board of directors are notified about the date of meetings within 10 (ten) business days beforehand at the latest. Such notification is sent together with a reasonable summary of issues to be negotiated in the meeting and related reports and documents if available. Meetings of board of directors are held at home and abroad, at a venue to be decided by the board of directors and in English. However, minutes and decisions of the meetings of board of directors are prepared in Turkish. English translation of decisions is attached to the decisions.

Parties, holding the right to attend board of directors meetings of the company, may attend such meetings electronically under article 1527 of Turkish Code of Commerce. The company, under provisions of Communiqué on Boards, except for Incorporation General Assemblies, held Electronically in Trading Companies, may either establish a electronic meeting system which enables beneficiaries to attend meetings electronically and to vote, or buy service from systems established to this end.

4.5. Number, Structure and Independency of Committees Established in Board of Directors

The Board of Directors of the company and committees required to be established within the scope of Corporate Governance Principles include the followings.

Board of Directors

Clement Edmont De Meersman	Chairman of Board of Directors
Tom A.Debusschere	Member of Board of Directors
Ergün Çiçekci	Member of Board of Directors
Marcel Klepfisch	Member of Board of Directors (Independent Member)
Yasemin Ünlü Romano	Member of Board of Directors (Independent Member)

Supervisory Committee

Marcel Klepfisch	Member of Board of Directors (Independent Member)
Yasemin Ünlü Romano	Member of Board of Directors (Independent Member)

Supervisory Committee meets quarterly and consists of 2 members. Supervisory Committee carries out its activities within the framework of generally accepted accounting principles; there is no other written regulation which includes procedures required to be followed by the Committee.

Members of Supervisory Committee are not executives and selected among competent members.

Committee for Early Detection of Risks

Clement Edmont De Meersman	Chairman of Board of Directors
Marcel Klepfisch	Member of Board of Directors (Independent Member)
Koen Kurt Vergote	Director for Financial Analysis and Budget
Nurcan Güngör	Director for Financial Affairs

Committee for Early Detection of Risks and Corporate Governance carries out its activities within the framework of generally accepted accounting principles; there is no other written regulation which includes procedures required to be followed by the Committee.

Corporate Governance Committee

Marcel Klepfisch	Member of Board of Directors (Independent Member)
Tom A.Debusschere	Member of Board of Directors

Risk Management and Internal Control Mechanism

Inspections are carried out by Supervisory Committee and Controllers of our Company and internal audit team of our partner Deceuninck Group, with relation to compliance of activities and transactions with the legislation and company policies.

Internal audit unit delivered its findings and determined development fields during the audit carried out in June 2013. Actions related to such development fields have been taken immediately items related to the follow-up of findings have been added to the next year's audit plans.

Furthermore; fulfilment of TS EN ISO 9001 Quality Management, TS EN ISO 14001 Environment Management System and TS 18001 Occupational Health and Safety Management Systems is controlled by means of periodic internal inspections and improvement works are initiated when required.

Besides, our company, aiming to improve constantly by using lean production and 6 sigma techniques, measures in-factory order and organisation level by means of 5S inspections conducted monthly by a team.

With respect to occupational health and safety, site inspections are held together with our occupational safety experts, risky cases are detected and necessary measures are taken.

4.6. Financial Rights Granted to Board of Directors

Monthly wages or attendance fees to be paid for chairman and members of board of directors are determined by the general assembly.

With respect to the wages of Independent Members of Board of Directors, share certificate option or payment plans based on company performance are not used.

In periods ended on December 31, 2013 and 2012, total of wages and similar benefits provided within the current period for high level managers such as chairman and members of Board of Directors, director general, general coordinator, vice director general is 4.005.906 TL. (December 31, 2012 - 3.903.158 TL)

EGE PROFİL
TİCARET VE SANAYİ A.Ş.
www.egeprofil.com.tr

EGEPEN deceuninck
www.egepen.com.tr

Head Office - General Management İzmir Factory
Atatürk Organize Sanayi Bölgesi
10003 Sok. No:5 Çiğli/İzmir
T. +90 232 398 98 98 F. +90 232 398 99 00

İzmir Regional Office
Atatürk Organize Sanayi Bölgesi
10003. Sok. No:5 Çiğli/İzmir
T. +90 232 398 98 98 F. +90 232 398 99 83

İstanbul Regional Office
Rüzgarlıbahçe Mah. Kavak Sok.
İmpa İş Merkezi No:12 K.2
Kavacık-Beykoz/İstanbul
T. +90 216 537 13 60 F. +90 216 537 13 64

Ankara Regional Office
Turan Güneş Bulvarı 708. Sok. No:14 D.6
Yıldız-Çankaya/Ankara
T. +90 312 440 16 15 F. +90 312 441 11 18

Adana Regional Office
Belediye Evleri Mah. Turgut Özal Bulvarı No:245
Aysun Mercimek Apt. K.1 D.1 Çukurova/Adana
T. +90 322 247 23 90 F. +90 322 247 23 85

winsa®
PVC PENCERE • KAPI • PANJUR SİSTEMLERİ
www.winsa.com.tr

General Management
Atatürk Organize Sanayi Bölgesi
10003. Sok. No:5 Çiğli/İzmir
T. +90 232 398 98 98 F. +90 232 398 99 00

Kocaeli Factory
Sarımeşe Beldesi, Kızılcıklık Mah.
Suadiye Yolu Üzeri No:1 İzmit (Kocaeli)
T. +90 262 371 57 27 F. +90 262 371 57 28

Marketing and Sales Management
Halyolu Cad. No:5 Bay Plaza K.12
34752 Ataşehir/İstanbul
T. +90 216 574 58 65 F. +90 216 469 55 71

İstanbul Regional Office
Halyolu Cad. No:5 Bay Plaza K.12
34752 Ataşehir/İstanbul
T. +90 216 574 58 65 F. +90 216 574 10 53

İzmir Regional Office
Atatürk Organize Sanayi Bölgesi
10003 Sok. No:5 Çiğli/İzmir
T. +90 232 328 11 37 F. +90 232 328 11 39

Ankara Regional Office
Turan Güneş Bulvarı 708. Sok. No:14 D.8
Yıldız-Çankaya/Ankara
T. +90 312 442 83 60 F. +90 312 442 71 11

Adana Regional Office
Belediye Evleri Mah. Turgut Özal Bulvarı No:245
Aysun Mercimek Apt. K.1 D.2
Çukurova/Adana
T. +90 322 247 23 80 F. +90 322 247 23 81

deceuninck
www.deceuninck.com