COMPONENTA DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2013 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.1.4)

COMPONENTA DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD AT 31 DECEMBER 2013 AND 2012
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.1.4)

COMPONENTA DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2013 AND 2012
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31 December 2013	31 December 2012
ASSETS			
Current Assets		**498.282.580**	**190.750.922**
Cash and Cash Equivalents	4	26.802.660	40.943.772
Trade Receivables	6	65.019.762	52.854.107
- Trade receivables from related parties	26	30.736.348	23.108.136
- Other trade receivables		34.283.414	29.745.971
Other Receivables		310.116.101	21.076.916
- Trade receivables from related parties	26	309.683.070	20.633.305
- Other receivables	7	433.031	443.611
Inventories	8	78.545.047	58.668.311
Prepaid Expenses	9	2.369.893	332.763
Current Income Tax Assets	25	562.557	3.592.724
Other Current Assets	16	14.866.560	13.282.329
Non-Current Assets		**349.708.404**	**482.469.174**
Other Receivables		10.574.113	212.198.246
- Financial receivables from related parties	26,7	10.574.113	212.198.246
Investments in Associates	10	3.459.038	3.186.441
Property, Plant and Equipment	11	315.919.466	250.901.469
Intangible Assets		15.532.633	13.613.862
- Goodwill	13	2.919.110	2.386.564
- Other Non-current Assets	12	12.613.523	11.227.298
Prepaid Expenses	9	4.223.154	2.569.156
TOTAL ASSETS		**847.990.984**	**673.220.096**

Financial statements were approved and authorised for issue in the meeting of Board of Directors dated 17 February 2014. In addition, financial statements for the year 2013 are subject to approval of shareholders of the Componenta Dökümcülük Ticaret ve Sanayi A.Ş. in the General Assembly.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.1.4)

COMPONENTA DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2013 AND 2012
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31 December 2013	31 December 2012
LIABILITIES			
Current Liabilities		**371.546.312**	**125.045.568**
Short-Term Borrowings	5	260.567.620	33.542.862
Short-Term Portion of Long Term Borrowings	5	4.792.440	3.145.017
Financial Instruments	28	3.592.883	289.225
Trade Payables		79.446.896	59.253.955
- Trade payables to related parties	26	1.768.774	3.453.758
- Other trade payables		77.678.122	55.800.197
Liabilities for Employee Benefits	15	7.097.664	4.858.507
Other trade payables	7	1.244.747	10.668.195
- Trade payables from related parties	26,7	23.653	68.436
- Other payables		1.221.094	10.599.759
Provisions	14	5.496.012	6.038.883
Other Current Liabilities	16	9.308.050	7.248.924
Non-Current Liabilities		**143.172.805**	**245.214.069**
Long-Term Borrowings	5	94.916.669	211.416.995
Long-Term Provisions		22.600.537	17.242.049
-Provisions for Benefits to Personnel	15	22.600.537	17.242.049
Deferred Tax Liabilities	25	25.655.599	16.555.025
SHAREHOLDERS' EQUITY		**333.271.867**	**302.960.459**
Shareholders' equity of parent company			
Paid in Capital	17	66.844.800	66.844.800
Paid-in Capital Inflation Adjustment Differences	17	45.195.347	45.195.347
Share Premium	17	161.041	161.041
Other Comprehensive Income/Expense Not to be Reclassified to Profit or Loss		72.487.593	76.997.766
- Gain/loss on revaluation and remeasurement	17	76.376.567	76.980.484
- Funds for actuarial gain/(loss) on employee termination benefits	17	(3.888.974)	17.282
Other Comprehensive Income/Expense to be Reclassified to Profit or Loss		68.354.907	1.700.978
- Currency translation differences	17	68.354.907	1.700.978
Restricted Reserves	17	5.786.834	23.240.986
Retained Earnings	17	59.130.560	73.997.421
Net Profit for the Period	17	15.310.785	14.822.120
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**847.990.984**	**673.220.096**

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.1.4)

COMPONENTA DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2013 AND 2012

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

	Notes	1 January- 31 December 2013	1 January- 31 December 2012
CONTINUING OPERATIONS:			
Sales Income	18	635.656.586	612.933.966
Cost of Sales (-)	18	(499.410.008)	(494.617.218)
GROSS PROFIT		**136.246.578**	**118.316.748**
Marketing, Sales and Distribution Expenses (-)	19	(49.997.791)	(53.153.933)
General Administrative Expenses (-)	19	(39.044.560)	(35.327.302)
Research and Development Expenses (-)	19	(2.470.413)	(2.205.584)
Other Operating Income	21	33.026.634	6.442.445
Other Operating Expenses (-)	21	(15.765.119)	(5.477.756)
OPERATING PROFIT		**61.995.329**	**28.594.618**
Investment Operating Expenses (-)		(10.321.329)	-
Investment Operating Incomes		1.302.840	5.484.388
Income From İnvestments İn Associate	10	378.065	487.016
OPERATİNG PROFİT BEFORE FİNANCİAL İNCOME AND EXPENSE		**53.354.905**	**34.566.022**
Financial Incomes	22	20.372.366	11.142.765
Financial Expenses	23	(47.295.476)	(26.657.830)
INCOME BEFORE TAXES		**26.431.795**	**19.050.957**
Taxation On Income		(11.121.010)	(4.228.840)
- Taxes On Income	25	(5.990.538)	(2.594.867)
- Deferred Tax Income	25	(5.130.472)	(1.633.973)
NET PROFIT		**15.310.785**	**14.822.117**
OTHER COMPREHENSIVE INCOME			
Other Comprehensive İncome/Expense not to be Reclassified to Profit or Loss			
Funds For Actuarial Gain/(Loss) on Employee Termination Benefits		(3.906.256)	17.282
Other Comprehensive İncome/Expense to be Reclassified to Profit or Loss			
Revaluation Funds		-	76.980.484
Changes in foreign currency translation differences		66.653.929	804.577
TOTAL COMPREHENSIVE INCOME		**78.058.458**	**92.624.460**
Earnings Per Share With A Nominal Value Of Kr 0.1 Each (TL)	**29**	**0,2290**	**0,2217**

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

COMPONENTA DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2013 AND 2012**

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

Consolidated statements of changes in shareholders' equity for the period 1 January - 31 December 2013:

				Other Comprehensive Income and Expense Not To Be Reclassified To profit or loss			Other Comprehensive Income and Expense To Be Reclassified To profit or loss	Retained Earning		
	Paid-in capital	Inflation adjustment to share capital	Share premium	Funds for actuarial gain/(loss) on employee termination benefit	Revaluation fund	Restricted reserves	Foreign currency translation differences	Retained earnings	Net profit for the period	Total equity
1 January 2013	**66.844.800**	**45.195.347**	**161.041**	**-**	**76.980.484**	**23.240.986**	**1.700.978**	**73.997.421**	**14.839.402**	**302.960.459**
Effect on change in accounting policies (*)	-	-	-	17.282	-	-	-	-	(17.282)	-
Restated at 1 January	**66.844.800**	**45.195.347**	**161.041**	**17.282**	**76.980.484**	**23.240.986**	**1.700.978**	**73.997.421**	**14.822.120**	**302.960.459**
Dividend paid	-	-	-		-	(17.454.152)	-	(30.292.898)	-	(47.747.050)
Transfers	-	-	-		-	-	-	14.822.120	(14.822.120)	-
Depreciation Transfer					(603.917)			603.917		-
Comprehensive income for the period	-	-	-	(3.906.256)	-	-	66.653.929	-	15.310.785	78.058.458
31 December 2013	**66.844.800**	**45.195.347**	**161.041**	**(3.888.974)**	**76.376.567**	**5.786.834**	**68.354.907**	**59.130.560**	**15.310.785**	**333.271.867**

Consolidated statements of changes in shareholders' equity for the period 1 January - 31 December 2012:

	Paid-in capital	Inflation adjustment to share capital	Share premium	Funds for actuarial gain/(loss) on employee termination benefit	Revaluation fund	Restricted reserves	Foreign currency translation differences	Retained earnings	Net profit for the period	Total equity
1 January 2012	**66.844.800**	**45.195.347**	**161.041**	**-**	**-**	**23.240.986**	**896.401**	**55.341.551**	**42.052.337**	**233.732.463**
Transfers	-	-	-	-	-	-	-	42.052.337	(42.052.337)	-
Dividend paid	-	-	-	-	-	-	-	(23.396.467)	-	(23.396.467)
Comprehensive income for the period	-	-	-	-	76.980.484	-	804.577	-	14.839.402	92.624.463
31 December 2012	**66.844.800**	**45.195.347**	**161.041**	**-**	**76.980.484**	**23.240.986**	**1.700.978**	**73.997.421**	**14.839.402**	**302.960.459**

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

COMPONENTA DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2013 AND 2012

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	1 January - 31 December 2013	1 January - 31 December 2012
Operating Activities:			
Income after tax		15.310.785	14.822.117
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation	11	20.063.205	12.247.910
Amortization	12	2.752.594	599.805
Provision release income for diminution in value of inventories	8	(207.095)	(397.163)
Provision for employment termination benefit	15	3.311.762	1.694.490
Share in results of associates	10	(378.066)	(497.958)
Profit on sales of property, plant and equipment-net		-	(687.458)
Allowances for doubtful receivables- net			-
Interest and due date charge income	22	(17.947.274)	(10.833.730)
Interest and factoring expenses	23	29.000.990	22.726.026
Foreign currency translation differences		(44.655.229)	1.700.978
Litigation Provision	14	-	1.554.418
Tax Penalty	14	353.149	707.074
Forward Accrual	28	485.383	785.570
Tax Payment		11.121.010	4.246.122
Cash flows from operating activities before changes in operating assets and liabilities		**19.211.214**	**48.668.201**
Change in trade receivables	6	(4.537.444)	6.573.100
Change in related party balances	26	(9.313.196)	(34.223.285)
Change in inventories	8	(19.735.976)	6.451.993
Change in other assets and receivables		691.573	(48.006)
Change in trade payables and tax charges		21.877.925	5.358.085
Income taxes paid	25	(6.553.095)	(6.017.915)
Change in other liabilities		(5.814.082)	(4.167.934)
Employment termination benefits paid	15	(2.836.092)	(1.271.165)
Net cash provided by operating activities		**(7.009.173)**	**21.323.074**
Investing activities:			
Interest and due date charge income	22	17.947.275	10.833.730
Purchase of property, plant and equipment	11	(15.324.092)	(14.767.087)
Purchase of intangible assets	12	(2.082.102)	(10.460.939)
Proceeds from sale of property, plant and equipment and intangible assets		1.302.840	877.238
Dividends received	10	105.420	90.531
Loans lended to related parties		(29.859.121)	(136.469.208)
Advances given for investment		(1.654.001)	(2.119.975)
Net cash used in investing activities		**(29.563.781)**	**(152.015.710)**
Financial activities:			
Proceeds from bank borrowings		291.757.223	169.367.897
Payments of bank borrowings		(194.838.733)	(20.303.518)
Financial leases	5	1.740.402	3.077.725
Interest and factoring expenses paid		(28.480.000)	(21.844.066)
Dividend payment	17	(47.747.050)	(23.396.467)
Net cash provided by financing activities		**22.431.842**	**106.901.571**
Net increase/ (decrease) in cash and cash equivalents		**(14.141.112)**	**(23.791.065)**
Cash and cash equivalents at the beginning of the year	**4**	**40.943.772**	**64.734.837**
Cash and cash equivalents at the end of the year	**4**	**26.802.660**	**40.943.772**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Componenta Dökümcülük Ticaret ve Sanayi A.Ş. (the "Company") was established in 1973 in Orhangazi, Bursa and operated as a subsidiary of Koç Holding A.Ş until 12 December 2006. Koç Holding has transferred its shares to Componenta Oyj located in Finland, at 12 December 2006. Accordingly the Company is a subsidiary of Componenta Oyj since then. The main operation of the Company is production and trade of gray cast iron, spheroidal cast iron and aluminium castings for the automotive industry. The Company's production and trading operations are conducted in its premises based in Bursa - Orhangazi and in its aluminium casting factory in Manisa Industrial Area, which was acquired in 1999. The Company is registered with the Capital Markets Board of Turkey and its shares are currently quoted in the Istanbul Stock Exchange. The main shareholder of the Company is Componenta Oyj (Note 26).

The commercial name of the Company which was Componenta Döktaş Dökümcülük Ticaret ve Sanayi A.Ş. has been changed to Componenta Dökümcülük Ticaret ve Sanayi A.Ş. on 28 April 2008.

The average number of employees during the year ended 1 January-31 December 2013 was 2.470.
(1 January - 31 December 2012: 2.114).

The registered office addresses of Orhangazi and Manisa plants are as follows:

Gölyolu no: 26 P.K. (18) Orhangazi 16801 Bursa.

Organize Sanayi Bölgesi Sakarya Cad. No: 14, 45030 Manisa

Componenta UK is the wholly owned subsidiary of the Company. Componenta UK operates in England and conducts the trade and marketing activities of gray cast iron, wheel and high pressure.

The Company and its subsidiary (together will be referred to as the "Group ") considers gray cast iron, wheel and high pressure as three separate business segments and performs segment reporting for management reporting purposes (Note 3). There is no geographical segmentation as the production activities, being the principal area of activity for the Group, are conducted in Turkey.

The associate of the Group is Kumsan Döküm Malzemeleri San. ve Ticaret A.Ş. ("Kumsan") as of 31 December 2013 (Note 10).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Accounting standards

The consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting principles published by the CMB, namely “CMB Financial Reporting Standards”.

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”).

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year’s consolidated financial statements.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the the consolidated financial statements of the Group have been prepared accordingly. The Group (and its Turkish subsidiaries, associates and joint ventures) maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These (consolidated) financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities (for any further assets or liabilities measured at fair value, please disclose here) which are carried at fair value. The (consolidated) financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

Change in the functional currency

Due to Euro denominated transactions gained gradually significance on Company’s operations during last quarters, the Company changed its TL functional currency to Euro beginning from 1 March 2012. Presentation currency of the Group remains as Turkish Lira.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.1 Accounting standards (Continued)

Change in the functional currency (Continued)

In this context, all figures at the balance sheet and comprehensive income statement as at and for the period ended on 29 February 2012 are converted to Euro by using Central Bank of the Republic of Turkey ("CBRT")'s Euro bid rate which corresponds to 2,35 on 29 February 2012. These figures which converted to Euro as at 29 February 2012 were considered as the opening historical cost of non-monetary balance sheet items such as inventories, property, plant and equipment, intangible assets, financial investments and equity. Starting from 1 March 2012, all transactions related with non-monetary balance sheet items have been converted into Euro by using CBRT's Euro bid rate at the date of transaction. Monetary balance sheet items have been converted into Euro by using CBRT's Euro bid rate at balance sheet date. Statements of comprehensive income items have been converted into Euro by using CBRT's Euro bid rate at the date of transaction. Foreign currency translation differences arisen as a result of conversion activities recognized as foreign exchange income under financial income.

All foreign currencies at the notes to financial statements includes all foreign currencies including Turkis Lira except Euro.

Translation to the presentation currency

The Group's presentation currency is preserved as TL, consequently not changed. In this context, methods of converting Euro prepared consolidated financial statements into TL are as follows:

a) Assets and liabilities in consolidated balance sheet as at 31 December 2013 have been converted into TL by using CBRT's Euro bid rate on 31 December 2013, which corresponds to 2,93. (1 December 2012:2,35) Amounts in equity carried at their historical costs.

b) The items in condensed consolidated interim statements of comprehensive income for the interim period ended at 31 December 2013 have been converted into TL by using average of first three months of CBRT's Euro bid rate, which corresponds to 2,52 (1 March-31 December 2012:2,30).

c) All foreign currency translation differences arisen from translation to presentation currency have been recognized as currency translation adjustment under equity.

d) All assets and liabilities of Componenta UK Ltd., which is operating in England, are translated into TL using foreign exchange rate as of balance sheet date whereas income statement accounts are translated into TL using yearly average foreign exchange rate. Exchange differences arising from the translation of opening net assets and current year income statement of Componenta UK Ltd. are included in "translation reserves" under shareholders' equity. Assets and liabilities in consolidated balance sheet as at 31 December 2013 have been converted into TL by using CBRT's Tl/Gbp bid rate on 31 December 2013, which corresponds to 3,51.The items in condensed consolidated interim statements of comprehensive income for the interim period ended at 31 December 2013 have been converted into TL by using average of first three months of CBRT's tl/gbp bid rate, which corresponds to 2,97.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.2 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Componenta Dökümcülük Ticaret ve Sanayi A.Ş. and its subsidiary on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards stated in Note 2 by applying uniform accounting policies and presentation. The results of operations of Subsidiaries are included or excluded from their effective dates of acquisition or disposal respectively.

Subsidiaries

The table below sets out all subsidiaries and demonstrates the proportion of ownership interest as of 31 December 2013 and 2012:

	31 December 2013 Ownership interest	31 December 2012 Ownership interest
Componenta UK Ltd.	100%	100%

All assets and liabilities of Componenta UK Ltd., which is operating in England, are translated into TL using foreign exchange rate as of balance sheet date whereas income statement accounts are translated into TL using yearly average foreign exchange rate. Exchange differences arising from the translation of opening net assets and current year income statement of Componenta UK Ltd. are included in "translation reserves" under shareholders' equity.

Subsidiaries refer to the companies that the Group has the power to control the financial and operating policies for the benefits of the Group, via either (a) owing the majority voting right by having more than 50% of the subsidiary's shares directly and/or indirectly or (b) not having the majority voting right 50%, however by controlling financial or operating policies.

The balance sheets and statements of income of the subsidiaries are consolidated on line-by-line basis and the carrying value of the investment held by the Group and its subsidiary is eliminated against the related equity. Intercompany transactions and balances between the Group and its subsidiary are eliminated during the consolidation. The cost of, and the dividends arising from, shares held by the Group in its subsidiary are eliminated from shareholders' equity and income for the period, respectively.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

The shares of the minority shareholders in subsidiary's net assets and operating results are presented as minority shares and minority income/loss, in consolidated balance sheet and income statement, respectively. Capital featured funds paid by minority shareholders is presented in minority interest.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.2 Consolidation principles (Continued)

Investments in associates

Investments in associates, on which the Group has significant influence but does not have control over, are accounted using the equity method during the period that significant influence exists. Consolidated financial statements involve the income and expenses of associates to the extent of Group's share as associates are accounted for using the equity method.

The table below sets out investments in associates and the ownership interests of the Group:

	31 December 2013 Ownership interest	**31 December 2012 Ownership interest**
Kumsan Döküm Malzemeleri Sanayi ve Ticaret A.Ş. ("Kumsan")	25,10%	25,10%

2.1.3 Amendments in International Financial Reporting Standards

(a) New and amended standards effective in 1 January 2013 relevant to the Group's financial statements:

- Amendment to IAS 1, 'Financial statement presentation', regarding other comprehensive income; is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

- Amendment to IAS 19, 'Employee benefits'; is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.

- Amendment to IFRS 1, 'First time adoption', on government loans; ; is effective for annual periods beginning on or after 1 January 2013. This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008.

- Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting¸; is effective for annual periods beginning on or after 1 January 2013. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Amendments in International Financial Reporting Standards (Continued)

(a) New and amended standards effective in 1 January 2013 but not relevant to the Group's financial statements: (Continued)

- Amendment to IFRS 10, 11 and 12 on transition guidance¸; is effective for annual periods beginning on or after 1 January 2013. These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

- IFRS 10, 'Consolidated financial statements' ; is effective for annual periods beginning on or after 1 January 2013. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.

- IFRS 12, 'Disclosures of interests in other entities'; is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- IFRS 13, 'Fair value measurement' ; is effective for annual periods beginning on or after 1 January 2013. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

- IAS 28 (revised 2011), 'Associates and joint ventures'; is effective for annual periods beginning on or after 1 January 2013. IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Amendments in International Financial Reporting Standards (Continued)

b) All other new standards, amendments to standards and interpretations to existing which is effective from 1 January 2013, is not relevant to the Group's operations or that have significant impact on the financial statements are not listed.

c) Changes in existing standards new standards and interpretations that are not effective and not adopted by the Group:

- Amendment to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting is effective for annual periods beginning on or after 1 January 2014.These amendments are to the application guidance in IAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to IAS 39 'Financial Instruments: Recognition and Measurement' - 'Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

- IFRS 9 'Financial instruments' – classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.

- Amendments to IFRS 9,'Financial instruments', regarding general hedge. These amendments to IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Amendments in International Financial Reporting Standards (Continued)

b) New IFRS standards, amendments and IFRICs effective after 1 January 2014

- Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from the 2011-2-13 cycle of the annual improvements project that affect 4 standards:

  - IFRS 1, 'First time adoption'
  - IFRS 3, 'Business combinations'
  - IFRS 13, 'Fair value measurement' and
  - IAS 40, 'Investment property'.

The Group will be considered the changes in international financial standards listed above and adopted to the Group by the effective date. The Group management expects that the standards, amendments and interpretations to existing standards given above will not have a material effect on the financial statements.

2.2 Changes in Accounting Policies

There is no accounting policy and all accounting policies applied are consistent with the prior periods' policies except for the following:

The Group has adopted "revaluation model" as permitted by IAS 16 "Property, plant and equipment" for its land, land improvements and buildings commencing from 31 December 2012, based on the valuation report performed TSKB Gayrimenkul Değerleme A.Ş. as at 18 December 2012.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Changes in Accounting Policies (Continued)

In the revaluation performed;

* All characteristics like; land location, local formation style, substructure and access opportunities, front line to street and avenue, area and location that may affect the value, have been taken into account, detailed market research has been done locally and the economical conditions that have arisen previously have been considered as well.
* Revaluation reports have been prepared according to related Capital Markets Board regulatory provisions.
* Revaluation has been applied in financial statements as of 31 December 2012 firstly.
* Revaluation reports have been prepared by an independent expertise firm which gives service according to Capital Markets Board regulatory provisions.
* Cost approach in valuation, precedent comparison, fair market value methodology and assumptions and up-to-date market conditions have been taken into consideration.
* There is no restriction in distribution of increase in revaluation fund to shareholders.

The Company changed its functional currency to Euro beginning from 1 March 2012 (Note 2.1.1).

2.3 Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group include comparative financial information to enable determination of the trends in the financial position and performance. The Group has prepared the consolidated balance sheet as of 31 December 2013 comparatively with the balance sheet at 31 December 2012, and consolidated statement of comprehensive income, consolidated statement of cash flow and consolidated statement of change in equity for the period between 1 January and 31 December 2013 comparative to the period between 1 January and 31 December 2012.

The Group has adopted "revaluation model" for its land, land improvements and buildings commencing from 31 December 2013 as mentioned note 2.2. However, the Group did not restate its prior period financial statements in accordance with exemption in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.4 Changes in accounting estimates and errors

For the purpose of enabling the determination of financial status and performance trends, the Company's/Group's concise consolidated financial statements for the current period is prepared in comparison with the previous period. If necessary, comparative data is reclassified for the purpose of compliance with the presentation of concise consolidated financial statements for the current period.

The Group/Company completed the following reclassifications in accordance with the changes during the current period in the presentation of interim concise consolidated financial statements for previous periods as per the notice regarding the forms of financial statements and notes in accordance with the decision taken at meeting no. 20/670 dated 7 June 2013 of the Capital Market Board:

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Changes in accounting estimates and errors (Continued)

i) Principals and interests of loans amounting to TRY2,255,974 which were previously presented under the short-term borrowing account in the balance sheet for 31 December 2012 have been reclassified under short-term portion of long-term borrowings;

ii) Goodwill amounting to TRY2,435,114 which was previously presented under goodwill account in the balance sheet for 31 December 2012 has been reclassified under intangible assets;

iii) SSI debts and employee wage accruals amounting to TRY13,053,180 which were previously presented under other liabilities account in the balance sheet for 31 December 2012 have been reclassified under employee benefits;

iv) Expenses amounting to TRY24,748,193 which were previously presented under marketing, sales and distribution expenses account in the comprehensive income statement for 31 December 2012 have been reclassified under marketing expenses;

v) Interest and exchange differences from main operations amounting to TRY 2,637,856 which were previously presented under financial incomes and expenses account in the income statement for 31 December 2012 have been reclassified under other incomes and expenses from main operations;

vi) Prepaid tax amounting to TRY3.592.724 which was previously presented under tax receivables in the balance sheet for 31 December 2012 has been reclassified under current income tax assets.

As stated in Section 2.2, the Group revised its accounting policy with respect to employee benefits as of 1 January 2012.

2.5. Summary of significant accounting policies

Significant accounting policies considered during the preparation of consolidated financial statements are summarized below:

Cash and cash equivalents

Cash and due from banks comprise cash in hand, bank deposits and highly liquid, readily convertible into cash investments, whose maturity at the time of purchase is less than three months with insignificant risk of change in value (Note 4). The cash and cash equivalents are considered to approximate their respective carrying values due to their short-term nature and shown by their fair values in the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. Additionally, the Group impairs the receivables for which there are no guarantees or special agreements and which are overdue for more than one year. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the impairment amount decreases due to an event occurring after the write-down, the release of the provision is credited to other income in the current period.

Credit finance income/ charges

Credit finance income/charges represent imputed finance income/charges on credit sales and purchases. Such income/charges are recognized as financial income or expenses over the credit term period of credit sales and purchases.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, labor and an appropriate amount for factory overheads. Unit cost of inventory is calculated at monthly moving weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 8).

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(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Property, plant and equipment

	Useful lives (year)
Buildings	30-50
Land improvements	30
Machinery and equipment	6-15
Furniture and fixtures	2-8
Motor vehicles	3-4

Land is not depreciated as it is deemed to have an indefinite life.

Expenses for repair and maintenance of property, plant and equipment are capitalized only if they result in an enlargement or substantial improvement in the economic benefits of the respective assets. All other costs are normally accounted in statement of income as an expense.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds against carrying amounts and are included in operating profit (Note 10, Note 20).

After 31 December 2012

The Company has adopted "revaluation model" as permitted by IAS 16 "Property, plant and equipment" for its land, land improvements and buildings commencing from 31 December 2012, based on the valuation report performed by TSKB Gayrimenkul Değerleme A.Ş. as at 18 December 2012. The remaining assets such as machinery and equipments, furniture and fixtures, special costs and motor vehicles are continued to be measured at cost consistent with prior years.

In the revaluation performed;

* All characteristics like; land location, local formation style, substructure and access opportunities, front line to street and avenue, area and location that may affect the value, have been taken into account, detailed market research has been done locally and the economical conditions that have arisen previously have been considered as well.
* Revaluation reports have been prepared according to related Capital Markets Board regulatory provisions.
* Revaluation has been applied in financial statements as of 31 December 2012 firstly.
* Revaluation reports have been prepared by an independent expertise firm which gives service according to Capital Markets Board regulatory provisions.
* Cost approach in valuation, precedent comparison, fair market value methodology and assumptions and up-to-date market conditions have been taken into consideration.
* There is no restriction in distribution of increase in revaluation fund to shareholders.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Property, plant and equipment (Continued)

After 31 December 2012 (Continued)

Increases in the carrying amount arising on the revaluation of land, land improvements and buildings are credited to the revaluation reserve in equity, net of applicable deferred income tax.

Revalued amount is calculated by deducting the total of accumulated depreciation and impairment that have occurred in the periods after net realizable value determined in revaluation date. Revaluations are performed regularly, by ensuring that there are not any significant differences between net realizable value as of balance sheet date and net book value.

Decrease in book value arisen from the aforementioned revaluation process is booked in income statement in case the revaluation exceeds the balance already included in revaluation fund related to previous revaluation of the aforementioned asset.

When a revaluated tangible asset is disposed, revaluation fund related with tangible asset is transferred to retained earnings.

Depreciation is charged so as to write off the cost or valuation of assets, using the straight-line method. Land is not depreciated as it is deemed to have an indefinite life. The depreciation periods for property, plant and equipment, which approximate the useful lives of such assets, are as follows:

	Useful lives (year)
Buildings	30-50
Land improvements	30
Machinery and equipment	6-15
Furniture and fixtures	2-8
Motor vehicles	3-4

Intangible assets

Intangible assets comprise acquired rights. They are recorded at acquisition cost, in each case intangible assets acquired before the date of 1 January 2005 have been restated to equivalent purchasing power at 31 December 2004, and amortized on a straight-line basis over their estimated useful lives for a period not exceeding 5 years from the date of acquisition. Where an indication of impairment exists, the carrying amount of any intangible asset including goodwill is assessed and written down immediately to its recoverable amount (Note 12).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Discountinued Operations and Assets and Liabilities Held For Sale

Discountinued operations represent a separate major line of business or geographical area of operations which held for sale or disposal group in a committed and coordinated sales plan.

Net assets related to the discontinued operations measured at the lower of its carrying amount and fair value less costs to sell. Profit or loss before tax which has reflected to financial statements during disposal of assets and group of assets forms discountinued operations and profit after tax of discountinued operations presented in the notes to financial statements. The net cash flows attributable to the operating, investing and financing activities of discontinued operations shall be presented either in the notes or in the financial statements.

A non-current asset (or disposal group) shall be classified as as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The liabilities which directly attributable to these assets shall be classified same as assets. Aforementioned disposal group measured at the lower of its carrying amount less direct attributable liabilities and fair value less costs to sell.

Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Factoring arrangements

The Group collects a portion of its trade receivables through factoring arrangements. In accordance with the factoring agreements, in case the collection risk lies with the Group the related amount is carried under both trade receivables and financial liabilities until the collection of the trade receivable. The translation of foreign currency balances is performed using the ask rates announced by the Central Bank of Turkey prevailing at the balance sheet date.

Goodwill

Goodwill has been recognised as an asset and has initially been measured as the excess of the cost of the combination over the fair value of the acquiree's assets, liabilities and contingent liabilities. The acquirer recognises identifiable assets (such as deferred income tax on carry forward losses), intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree's financial statements at their fair values in the consolidated financial statements. If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period.

Bank borrowings

Bank borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the borrowing period. Borrowing costs are charged to income statement when they incur.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Changes in the fair value of financial assets/liabilities recognized in statement of income

Since forward foreign exchange purchase contracts do not met the conditions for hedge accounting, such contracts are classified as financial assets/liabilities at fair value through profit or loss and the changes in the fair value of the contracts are recognized in the income statement.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Share capital, dividends and share premium

Ordinary shares are classified as equity. Pro rata capital increases to existing shareholders are accounted for at par value as approved. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Share premium represents the difference between nominal value of the publicly held shares and their sales prices.

Taxes on Income

Taxes include current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated based on currently enacted tax rates as of balance sheet date and according to tax legislation in force and includes adjustments related to previous years' tax liabilities.

Deferred income tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will affect the future period tax charges based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred tax assets will be utilised or deferred tax liabilities will be settled, are used to determine deferred income tax.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Carrying value of deferred tax assets are decreased to the extent necessary, if future taxable profits are not expected to be available to utilise deferred tax assets partially or fully.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities (Note 25).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Revenue recognition

Sales of goods

Revenues are recognised at the fair value of the consideration received or receivable on an accrual basis when delivery has occurred, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Group. Considering the principle of transfer of risks and rewards, the Group recognizes revenue on export transactions, where the goods are delivered to foreign customers or warehouses of logistics partners of foreign customers when the goods are received by the customer or logistics partner of the customer. Net sales represent the invoiced amount less sales returns, discounts and commissions (Note 18).

The interest income earned by the Group is recognised on accrual basis using the effective yield method.

The Group sells scrap aluminium to its suppliers in return for purchase of liquid aluminium. The sales of scrap aluminium are not presented as sales revenue; instead they are offset against the cost of scrap aluminium under the cost of sales.

Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Foreign currency transactions and balances

Transactions in foreign currencies during the period have been translated using the ask rates announced by the Central Bank of Turkey prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising due to translation of foreign currency denominated items are included in the consolidated statement of income.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Events after Balance Sheet Date

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue.

The Group records adjusting events after the balance sheet date and disclose non-adjusting events after the balance sheet date on the accompanying financial statements.

Fair value of financial instruments

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets:

The fair values of certain financial assets carried at cost, including cash and amounts due from banks are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade receivables are estimated to be their fair values.

Fair value of financial assets held to maturity determines with market prices or in case of the price is not calculated with basis on market prices of securities quoted for similar qualified in interest, maturity and other conditions.

Fair value of given advances and loans to customers is calculated by determining cash flows discounted with current market interest rate. Carrying value of variable interest rate loans approximately assumed as fair value.

Financial Liabilities

The fair values of short-term bank loans and trade payables are considered to approximate their book values due to their short-term nature. Fair value of long-term financial liabilities is calculated by determining cash flows discounted with current market interest rate.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in consolidated financial statements and are treated as contingent assets or liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the consolidated financial statements of the period in which the change occurs.

Employee Benefits / Provision for employment termination benefit

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("IAS 19").

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses.

Finance leases

Leases of property, plant and equipment where the Company substantially assumes all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included as finance lease obligations. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset (Note 10).

Obligations under finance leases are stated in the financial statements at the acquisition values of the related property, plant and equipment. The finance leases costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Research and development

Research expenditure is recognised as expense as incurred. Costs incurred on development projects (relating to the design and testing of developed products) are recognised as intangible assets when it is probable that the project will be completed satisfactorily considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognised as expense as incurred. If the Group has research and development related incentive revenue, research and development costs are offset against the incentive revenue. Development costs previously recognised as expense are not recognised as an asset in subsequent periods.

Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and members of the Board, their family members and companies, subsidiaries and partnerships managed or controlled by them are considered and referred to as related parties (Note 26). The related party transactions with companies and individuals during the period are disclosed in the notes even if such parties are not considered to be related parties as of period-end.

Earnings per Share

Earnings per share stated on statements of income are calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the year.

In Turkey, companies can raise their share capital by distributing "bonus shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Reporting of cash flow

In the consolidated statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used for redemption.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with less than 3 months to maturity (Note 4).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Segment Reporting

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and if its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

2.6 Significant accounting estimates and assumptions

Preparation of consolidated financial statements requires use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of balance sheet date, contingent assets and liabilities disclosed and amount of revenue and expenses reported. Although, these estimates and assumptions rely on the Group management's best knowledge about the current events and transactions, actual outcome may vary from those estimates and assumptions. Group's significant accounting estimate is as follows:

(a) Useful lifes of tangible and intangible assets

Property, plant and equipment (except land and property, plant and equipment) are carried at cost less accumulated depreciation and impairment (if any). Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. Useful lives depend on best estimates of management, are reviewed in each financial period and necessary corrections are made.

The Group has accounted depreciation expense for plant, property and equipment for the period between 1 January – 31 December 2013 in consolidated financial statements by taking into consideration the capacity utilization rates. Capacity utilization rates for the period between 1 January - 31 December 2013 for gray cast iron, aluminium casting and wheel plants are respectively 61%, 59% and 70% (1 January - 31 December 2012: %64, %40 ve %71). As a result, depreciation expense of machinery and equipment for the period between 1 January - 31 December 2013 was realized as TL 9.982.790 (1 January – 31 December 2012: TL 10.152.226 TL).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Significant accounting estimates and assumptions (Continued)

(b) Income taxes

There are many transactions and calculations whose effects' are not definite to the ultimate tax liability during the ordinary course of business and such situations requires significant judgement in determining the provision for income taxes. The Group recognizes possible additional tax liabilities as a result of taxable situations (Note 25). Where the final tax liability that has to be recognized is different from the liability that was initially recognized, such differences will impact the income tax and deferred tax income/loss in the current period.

(c) Employment termination benefit discount rate

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. Discount rate depends on best estimates of management, reviewed in each financial period and necessary corrections are made.

The Group estimated the discount rate which has been used in calculation provision for employment termination benefit as of 31 December 2013 as 4,06%.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 3 - SEGMENT REPORTING

The Group considers aluminium casting, gray cast iron and wheel division as three separate business segments and provides segmental information in accordance with the requirements of the accounting framework used.

Segment assets:

	31 December 2013	31 December 2012
Gray cast iron	364.614.003	309.240.498
High pressure	118.543.411	99.550.540
Wheel	41.117.349	28.411.063
Unallocated assets (*)	323.716.221	236.017.992
Total assets per consolidated financial statements	**847.990.984**	**673.220.093**

(*) Unallocated liabilities consist of financial investments in Kumsan to TL 3.459.038 (31 December 2012: 3.186.441 TL) and loans and interests of these loans lended to Componenta Oyj amounting to TL 318.448.514 (31 December 2012: 231.018.841) as of 31 December 2013 and receivables from personnel amounting to TL 1.808.669 (31 December 2012: 1.812.710).

Segment liabilities:

	31 December 2013	31 December 2012
Gray cast iron	77.674.208	61.764.856
High pressure	21.034.027	29.443.780
Jant	33.178.426	24.038.395
Unallocated liabilities (*)	382.832.456	255.012.606
Total liabilities per consolidated financial statements	**514.719.117**	**370.259.637**

(*) Unallocated liabilities consist of bank borrowings amounting to TL 350.700.936 (31 December 2012: TL 238.168.356), tax provisions amounting to TL 31.646.137 (31 December 2012: TL 16.555.025) and forward expense accruals amounting to TL 485.383 (31 December 2012: 289.225) as at 31 December 2013.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 3 - SEGMENT REPORTING (Continued)

Segmental analysis for the period 1 January - 31 December 2013:

	1 January - 31 December 2013			
	Gray cast iron	**High pressure**	**Wheel**	**Total**
External revenues	444.959.610	95.348.488	95.348.488	635.656.586
Operating expenses	(427.960.761)	(83.717.696)	(79.244.315)	(590.922.772)
Operating profit	**16.998.849**	**11.630.792**	**16.104.173**	**44.733.814**
Incomes by investments operatings				1.302.840
Other operating income, net				17.261.515
Financial expenses, net				(37.244.440)
Share in results of associates				378.065
Profit before tax				**26.431.795**
Tax provision				(11.121.010)
Net profit for the period				**15.310.785**

Segmental analysis for the period 1 January - 31 December 2012:

	1 January – 31 December 2012			
	Gray cast iron	**High pressure**	**Wheel**	**Total**
External revenues	443.485.413	74.480.729	94.967.824	612.933.966
Operating expenses	(436.015.201)	(65.417.671)	(83.853.884)	(585.304.037)
Operating profit	**7.470.212**	**9.063.058**	**11.113.940**	**27.629.929**
Incomes by investments operatings				172.960
Other operating income, net				964.689
Financial expenses, net				(10.203.637)
Share in results of associates				487.016
Profit before tax				**19.050.957**
Taxation income				(4.228.840)
Net profit for the period				**14.822.117**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 3 - SEGMENT REPORTING (Continued)

Depreciation, amortization and capital expenditures:

	1 January- 31 December 2013			
	Gray cast iron	**High pressure**	**Wheel**	**Total**
Depreciation and amortization	11.239.606	9.068.707	2.507.486	22.815.799
Capital expenditures	9.776.759	6.075.223	1.554.212	17.406.194

Depreciation, amortization and capital expenditures:

	1 January – 31 December 2012			
	Gray cast iron	**High pressure**	**Wheel**	**Total**
Depreciation and amortization	6.309.476	4.640.938	1.897.301	12.847.715
Capital expenditures	15.348.531	7.954.959	1.846.257	25.149.747

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2013	**31 December 2012**
Cash	-	3.990
Banks		
Demand deposits - EUR	21.426.104	10.881.446
Demand deposits - Foreign currency	5.376.556	7.224.002
Time deposits - EUR	-	15.855.161
Time deposits - Foreign currency	-	6.979.173
	26.802.660	**40.943.772**

There is no time deposit as of 31 December 2013. (31 December 2012: Time deposit is there days).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 5 – SHORT AND LONG TERM BORROWİNGS

	31 December 2013	31 December 2012
Short term financial liabilities	255.440.121	30.425.439
Short term financial leasings	5.127.499	3.117.423
	260.567.620	**33.542.862**
Short term portions from long term liabilities	4.792.440	3.145.017
		-
Long term financial liabilities	87.360.875	204.597.900
Long term financial leasings	7.555.794	6.819.095
	94.916.669	**211.416.995**
Total financial liabilities	**360.276.729**	**248.104.874**

	31 December 2013			
	Annual average interest rate%	**Maturity (Note 26)**	**Amount in original**	**TL**
Short-term bank borrowings				
Short-term borrowings				
TL borrowings (*)		0-12 Ay	7.572.706	7.572.706
EUR borriwings	%4,85	0-12 Ay	81.409.069	239.057.731
Short-term USD borrowings against goods (**)	%2,61	0-12 Ay	1.011.336	2.158.494
Short-term factoring liabilities (***)	%10,01	0-12 Ay	2.265.006	6.651.190
				255.440.121

(*) TL borrowings consist of daily TL funds obtained for Social Security Insurance payments.

(**) Short-term USD borrowings against goods consists of bank borrowings obtained in context of prefinancing of imports.

(***) Short-term factoring borrowings consists of revocable factoring payables.

	31 December 2013			
Long-term financial liabilities	**Annual average effective interest rate %**	**Maturity**	**Amount in original Currency**	**TL**
EURO borrowings	5,47%	3-5	29.750.000	87.360.875
Short-term portions from long term liabilities	5,36%	1	1.632.025	4.792.440
				92.153.315

The Group has TL 260.232.561 short term bank borrowings as of 31 December 2013. The fair value of the Group's short-term financial liabilities approximates their carrying amount. Fair value of long-term financial liabilities is TL 94.239.584 (31 December 2012: TL 211.193.607) as of 31 December 2013.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 5 – SHORT AND LONG TERM BORROWİNGS(Continued)

	31 December 2012			
	Annual average effective interest rate %	**Maturity**	**Original Amount**	**TL**
Short-term financial liabilities				
Euro borrowings				
TL borrowings(*)	-	-	7.851.513	7.851.513
Euro borrowings	5,2%	0-12 Ay	2.000.000	4.703.400
Short-term USD borrowings against goods (**)	1,6%	0-12 Ay	6.489.572	11.568.310
Short-term factoring liabilities (***)	-	0-1 Ay	2.679.855	6.302.216
				30.425.439

(*) TL borrowings consist of daily TL funds obtained for Social Security Insurance payments.

(**) Short-term USD borrowings against goods consists of bank borrowings obtained in context of prefinancing of imports

(***) Short-term factoring borrowings consists of revocable factoring payables.

	31 December 2012			
	Annual average effective interest rate %	**Maturity**	**Amount in original Currency**	**TL**
Long-term financial liabilities				
Euro borrowings	5,44%	24	87.000.000	204.597.900
				204.597.900

Redemption schedules of borrowings at 31 December 2013 and 2012 are as follows:

	31 December 2013	**31 December 2012**
Up to 1 year	263.340.061	33.570.456
1 to 2 years	72.678.375	204.597.900
Over 4 years	14.682.500	-
	350.700.936	**238.168.356**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 5 – SHORT AND LONG TERM BORROWİNGS(Continued)

Redemption schedule of leasing borrowings are as follows:

	31 December 2013			31 December 2012		
	Minimum financial leasing payment	Interest	Total liabilities	Minimum financial leasing payment	Interest	Total liabilities
Short-term portion						
2013	-	-	-	4.212.785	(1.095.362)	3.117.423
2014	6.033.630	(906.131)	5.127.499	-	-	-
Short-term portion	**6.033.630**	**(906.131)**	**5.127.499**	**4.212.785**	**(1.095.362)**	**3.117.423**
Long-term portion						
2014				4.192.562	(656.054)	3.536.508
2015	4.732.881	(427.929)	4.304.952	2.954.999	(235.174)	2.719.825
2016	2.364.475	(148.857)	2.215.618	596.111	(33.349)	562.762
2017	1.067.122	(31.898)	1.035.224	-	-	-
Long-term portion	**8.164.478**	**(608.684)**	**7.555.794**	**7.743.672**	**(924.577)**	**6.819.095**
	14.198.108	**(1.514.815)**	**12.683.293**	**11.956.457**	**(2.019.939)**	**9.936.518**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Trade receivables:

	31 December 2013	31 December 2012
Receivables from non-related parties	38.189.597	33.099.720
Receivables from related parties	30.736.348	23.108.136
Guarantees and deposits given	433.031	443.611
	69.358.976	**56.651.467**
Less: Provision for doubtful receivables	(4.319.567)	(3.772.911)
Less: Unearned credit finance income	(19.647)	(24.449)
	65.019.762	**52.854.107**

Aging analysis for trade receivables

As of 31 December 2013, maturities of trade receivables, for which no bad debt provision has been accounted, are as follows:

	31 December 2013	31 December 2012
Overdue receivables	32.381.342	21.695.010
0-30 days maturity	11.490.886	9.441.957
31-60 days maturity	15.181.051	16.381.932
61-90 days maturity	5.851.319	4.402.365
91-120 days maturity	115.164	932.843
	65.019.762	**52.854.107**

Days overdue	31 December 2013	31 December 2012
0-1 month	13.204.403	1.240.003
1-3 months	16.188.973	13.321.319
3 months and over	2.987.966	7.133.688
	32.381.342	**21.695.010**

TL 25.686.482 of total overdue receivables comprises receivables from related parties. TL 5.038.226 these receivables from related parties has been collected until 30 January 2013

Guarantee letters taken from the customers related with trade receivables are amounting to TL 4,121.398 (31 December 2012: TL 5.229.145).

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movements of doubtful trade receivables for the year ended 31 December 2013 and 2012 are summarized below:

	2013	2012
1 January	**3.772.911**	**3.772.911**
Foreign exchange differance	546.656	-
31 December	**4.319.567**	**3.772.911**

On average, credit terms for trade receivables vary between 1 and 3 months (31 December 2012: 1-3 month). The annual effective interest rates applied to trade receivables denominated in Euro, TL, USD, and GBP as disclosed in Note 27, are 0,26%, 5,25%, 0,24% and 0,52% respectively (31 December 2012: per annum 0,4%, 9,18%, 0,27% and 0,72%).

Trade payables:

	31 December 2013	31 December 2012
Payables from non-related parties	77.427.459	55.607.277
Payables from related parties	1.775.561	3.462.566
Notes payable	250.663	192.920
	79.453.683	**59.262.763**
Less: Unearned credit finance expense	(6.787)	(8.808)
	79.446.896	**59.253.955**

On average, credit terms for trade payables vary between 1 and 2 months (31 December 2012: between 1 and 2 months). The annual effective interest rates applied to trade payables denominated in Euro, TL, USD and GBP as disclosed in Note 27, are 0,23%, 5,25%, 0,21%, and 0,50% respectively (31 December 2012: per annum 0,54%, 14,64%, 0,53%, and 0,85%).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Short-term other receivables:

	31 December 2013	31 December 2012
Financial receivables from related parties-Componenta Oyj (*)	307.874.401	18.820.595
Receivables from personnel	1.808.669	1.812.710
Guarantees and deposits given	433.031	443.611
	310.116.101	**21.076.916**

Long-term other receivables:

	31 December 2013	31 December 2012
Other receivables from related parties-Componenta Oyj (*)	10.574.113	212.198.246
	10.574.113	**212.198.246**

(*) The aforementioned amount consists of loans lended to Componenta Oyj amounting to Euro 89.358.799 and GBP 14.708.873 at 31December 2013 and their accruals. The maturity of loan amounting to Euro 89.358.799 is 30 June 2014 (31 December 2012: The aforementioned amount consists of loans landed to Componenta Oyj amounting to Euro 91.720.000 and 4.530 GBP. The maturity of loan amounting to TL 89.000.000 is 30 June 2015).

According to The Communiqué IV, No:41 "the Principles which the Corporations subject to the Capital Market Law are Required to Follow" issued by the CMB, transfer of assets, liabilities or services to related parties which exceeds 10% of total assets should be fair and reasonable. In this context, the Group has determined interest rate of loans landed to Componenta Oyj by adding 10% margin on interest rates of loans as a base. Annual effective interest rate of the loans landed to Componenta Oyj is 6,6% for Euro and 5,5% for GBP.

Other payables:

	31 December 2013	31 December 2012
Factoring payables	1.221.094	7.197.982
Social security payables	-	3.401.777
Related parties payables	23.653	68.436
	1.244.747	**10.668.195**

As of 31 December 2013, the Group factored its receivables amounting to TL 1.221.094 (31 December 2012: TL 7.197.982). Credit risk related to these receivables is not transferred.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 8 - INVENTORIES

	31 December 2013	31 December 2012
Raw materials	33.341.904	21.032.948
Work-in-progress	7.861.391	4.864.774
Finished goods	30.515.892	26.869.502
Other (*)	6.926.341	6.142.328
	78.645.528	**58.909.552**
Less: Provision for net realisable value of inventories	(100.481)	(241.241)
	78.545.047	**58.668.311**

(*) Other inventories consist of models and moulds produced on order.

For the period from 1 January to 31 December 2013, a portion amounting to TL 250.620.572 of the cost of goods sold is related to raw material and supplies usage (1 January - 31 December 2012: TL 237.413.497).

Movements of provision for diminution in value of inventories during the period are as follows:

	2013	2012
1 January	**241.241**	**646.179**
Utilized during the period	(241.241)	(633.549)
Foreign currency translation differences	66.335	(7.775)
Provision for diminution in value of inventories during the period	34.146	236.386
31 December	**100.481**	**241.241**

NOTE 9 – PREPAID EXPENSES

Short Term Prepaid Expenses

	31 December 2013	31 December 2012
Short Term Prepaid Expenses	1.371.549	169.326
Other	998.344	163.437
	2.369.893	**332.763**

Long Term Prepaid Expenses

	31 December 2013	31 December 2012
Long Term Prepaid Expenses	4.223.154	2.569.156
	4.223.154	**2.569.156**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 10 - INVESTMENTS VALUED AT EQUITY METHOD

Investments in associates:

	31 December 2013		31 December 2012	
	Associate share %	amount	Associate share %	amount
Kumsan	25,10	3.459.038	25,10	3.186.441

	2013	2012
1 January- Investments in associates	**3.186.441**	**2.780.789**
Profit from investments valued at equity method	378.065	487.016
Dividend received	(105.420)	(90.531)
Foreign currency translation differences	(48)	9.167
31 December - Investments in associates	**3.459.038**	**3.186.441**

Condensed information related with the financial statements of Kumsan is as follows:

	31 December 2013		31 December 2012	
	Total assets	Total liabilities	Total assets	Total liabilities
Kumsan	15.300.155	1.519.126	14.026.060	1.331.076

	1 January - 31 December 2013		1 January - 31 December 2012	
	Sales income	Net income	Sales income	Net income
Kumsan	13.285.794	1.506.237	12.527.007	1.983.898

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 11 – TANGIBLE ASSETS

	Lands	Buildings and land improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
1 January 2013							
Cost/ revalued amount	64.222.757		86.602.649	506.277.789	16.437.419	913.508	11.151.725
Accumulated depreciation	-	(43.525.623)	(376.268.361)	(14.011.621)	(898.773)	-	(434.704.378)
Net book value	**64.222.757**		**43.077.026**	**130.009.428**	**2.425.798**	**14.735**	**11.151.725**
For the period ended at 31 December 2013							
Opening net book value	64.222.757		43.077.026	130.009.428	2.425.798	14.735	11.151.725
Additions	-	2.193.424	4.501.117	47.664	6.856.483	6.246.970	19.845.658
Foreign currency translation differences	15.970.348		10.712.015	37.443.860	603.226	3.664	2.773.113
Disposals	-	(175.191)	(15.638.276)	(84.281)	(36.647)	(2.896.751)	(18.831.146)
Depreciation charge	-	(2.394.957)	(14.761.970)	(8.807)	(1.937.712)	-	(19.103.446)
Disposals from accumulated depreciation	-	75.898	17.982.478	84.281	19.902	-	18.162.559
Closing net book value	**80.193.105**		**53.384.388**	**162.757.937**	**3.061.244**	**117.610**	**16.405.183**
31 December 2013							
Cost/ revalued amount	80.193.105		99.229.070	531.957.721	16.997.391	6.782.261	16.405.183
Accumulated depreciation	-	(45.844.682)	(373.047.853)	(13.936.147)	(2.816.583)	-	(435.645.265)
Net book value	**80.193.105**		**53.384.388**	**162.757.937**	**3.061.244**	**117.610**	**16.405.183**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 11 - TANGIBLE ASSETS (Continued)

	Lands	Buildings and land improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total	
1 January 2012								
Cost/revalued amount	518.718	65.002.143	499.218.917	15.838.782	1.096.660	8.589.399	590.264.619	
Accumulated depreciation	-	(42.126.653)	(368.483.174)	(13.248.425)	(1.082.450)		(424.940.702)	
Net book value	**518.718**	**22.875.490**	**130.735.743**	**2.590.357**	**14.210**	**8.589.399**	**165.323.917**	
For the period ended at 31 December 2012								
Opening net book value	518.718	22.875.490	130.735.743	2.590.357	14.210	8.589.399	165.323.917	
Additions	-	964.546	9.965.105	578.719	-	3.248.847	14.757.217	
Foreign currency translation differences	309	5.785	(349.413)	(3.177)	18	(686.521)	(1.032.999)	
Disposals	-	-	(3.330.288)	-	(180.104)	-	(3.510.392)	
Depreciation charge	-	(1.346.220)	(10.152.226)	(740.101)	(9.363)	-	(12.247.910)	
Disposals from accumulated depreciation	-	-	3.140.507	-	189.974	-	3.330.481	
Revaluation fund (*)	63.703.730		20.577.425	-	-	-	-	84.281.15
Closing net book value	**64.222.757**		**43.077.026**	**130.009.428**	**2.425.798**	**14.735**	**11.151.725**	
31 December 2012								
Cost/revalued amount	64.222.757		86.602.648	506.277.789	16.437.419	913.508	11.151.725	
Accumulated depreciation	-	(43.525.623)	(376.268.361)	(14.011.621)	(898.773)	-	(434.704.378)	
Net book value	**64.222.757**		**43.077.026**	**130.009.428**	**2.425.798**	**14.735**	**11.151.725**	

(*) The Group has adopted "revaluation model" as mentioned in Note 2.5 as permitted by IAS 16 "Property, plant and equipment" for its land, land improvements and buildings commencing from 31 December 2012, based on the valuation report performed TSKB Gayrimenkul Değerleme A.Ş. as at 18 December 2012.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 11 - TANGIBLE ASSETS (Continued)

	2012
1 January	**-**
Fund increase arising from revaluation of land	63.703.730
Fund increase arising from revaluation of land improvements and building	20.577.425
Deferred tax calculated on increase in revaluation fund (Note 25)	(7.300.671)
31 December	**76.980.484**

TL 21.109.262 (2012: TL 12.558.741) of the current period depreciation and amortisation expenses have been reflected to costs of goods sold and TL 746.778 (2012: 288.974 TL) to operating expenses.

NOTE 12 – INTANGIBLE ASSETS

	1 January 2013	**Addition (*)**	**Foreign Currency Translation Differences**	**31 December 2013**
Cost				
Rights	13.568.105	2.082.102	2.056.716	17.706.923
Accumulated amortization				
Rights	(2.340.806)	(2.752.594)	-	(5.093.400)
Net book value	**11.227.298**			**12.613.523**

(*) Additions to intangible assets is related to SAP acquisition.

	1 December 2012	**Addition (*)**	**Foreign Currency Translation Differences**	**31 December 2012**
Cost				
Rights	2.903.899	10.460.939	203.266	13.568.104
Accumulated amortization				
Rights	(1.741.001)	(599.805)	-	(2.340.806)
Net book value	**1.162.898**			**11.227.298**

(*) Additions to intangible assets is related to SAP acquisition.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 13 - GOODWILL

Goodwill is amounting to TL 2.919.110 as of 31 December 2012 (2012: TL 2386.564). Goodwill has arisen due to the acquisition of Componenta UK shares in 2006.

	2013	2012
1 January	**2.386.564**	**2.424.971**
Foreign currency translation difference	532.546	(38.407)
31 December	**2.919.110**	**2.386.564**

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions:

	31 December 2013	31 December 2012
Provisions for litigation (*)	4.592.489	4.603.431
Holiday pay provision	550.374	728.378
Provisions for tax penalty (**)	353.149	707.074
	5.496.012	**6.038.883**

(*) There are lawsuits filed against the Group due to work accidents. The group management has made employers' liability insurance in relation to these work accidents and the related provisions are reflected to consolidated financial statements by deducting the compensable amount of insurance from estimated payments.

(**) The Group has undergone a tax investigation regarding the transactions between January 2007 and June 2010 in terms of reverse charge value added tax and witholding tax. Total tax exposure amounting to TL 7.374.265 composed of tax principle amounting to TL 2.949.706 and tax penalty amounting to TL 4.424.559 have been notified to the Company on 7 October 2010. The Group has attended to tax settlement on 6 January 2011. Tax assessment has postponed for the evaluation of legal counsellers'claims of the Group. At 31 May 2011, Group Management has decided to benefit from tax amnesty in the context of Amnesty Law No. 6111. As a result of negotiations with tax autorities, the Group agreed to pay TL 1.589.254 including interests with equal installments commencing from 30 June 2011. The Group have provided a provision for unpaid portion of tax penalty amounting to TL 520.626 in condensed consolidated interim financial statements as of 31 March 2013 (31 March 2012: TL 720.707).

Movements in the provisions as of 31 December 2013 are as follows:

	1 January 2013	Additions	Foreign currency difference	Unutilized portion/ utilization	31 December 2013
Provisions for litigation	4.603.428	-		(10.939)	4.592.489
Holiday pay provision	728.381		-	(178.004)	550.374
Provisions for tax penalty	707.074	-	-	(353.925)	353.149
Total	**6.038.883**	**-**	**-**	**(353.925)**	**5.496.012**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Mortgages And Guarantee Letters Given By The Group:

As of 31 December 2013 guarantees, pledges and mortgages (GPMs) given by the Group are as follows:

	31 December 2013			
	Total TL Equivalent	**Original Currency TL**	**Original Currency USD**	**Original Currency Avro**
A. GPMs given on behalf of the Company's legal personality	9.215.120	9.215.120	-	-
B. GPMs given in favour of subsidiaries included in full consolidation	None	None	None	None
C. GPMs given by the Company for the liabilities of third parties in order to run ordinary course of business	None	None	None	None
D. Other GPMs				
i. GPMs given in favour of parent company	None	None	None	None
ii. GPMs given in favour of group companies not in the scope of B and C above.	None	None	None	None
iii GPMs given in favour of third-party companies not in the scope of C above.	None	None	None	None
Total GPMs	**9.215.120**	**9.215.120**	**None**	**None**
Other GPMS	**None**	**None**	**None**	**None**

Ratio of other GPMs given by Group to Group's equity is zero as of 31 December 2013 (31 December 2012: Zero).

Letters of guarantees given are composed of guarantees given to Custom Undersecretariat, custom offices, chamber of commerce, tax authorities, electricity and natural gas suppliers, raw material suppliers and law courts related with ongoing legal cases.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Mortgages And Guarantee Letters Given By The Group: (Continued)

As of 31 December 2013 guarantees, pledges and mortgages (GPMs) given by the Group are as follows:

	31 December 2012			
	Total TL Equivalent	**Original Currency TL**	**Original Currency USD**	**Original Currency Euro**
A. GPMs given on behalf of the Company's legal personality	9.179.962	9.179.962	None	None
B. GPMs given in favour of subsidiaries included in full consolidation	None	None	None	None
C. GPMs given by the Company for the liabilities of third parties in order to run ordinary course of business	None	None	None	None
D. Other GPMs				
i. GPMs given in favour of parent company	None	None	None	None
ii. GPMs given in favour of group companies not in the scope of B and C above.	None	None	None	None
iii. GPMs given in favour of third-party companies not in the scope of C above.	None	None	None	None
Total GPMs	**9.179.962**	**9.179.962**	**None**	**None**
Other GPMS	**None**	**None**	**None**	**None**

c) Guarantees Obtained:

	31 December 2013	**31 December 2012**
Guarantee cheques and notes obtained	4.966.884	5.229.145
Guarantee letters obtained	4.170.701	4.210.243
Letters of credit	-	267.952
Guarantees Obtained	**9.137.585**	**9.707.340**

Letters of guarantees taken consists of guarantees received from customers, suppliers and subcontractors.

d) Contingent Assets

The Group's operations between January 2007 and June 2010 from the perspective of stamp duty and corporate tax and stamp duty of corparate tax income tax and valued added tax withholding were analysed and TL amounting to 4.356.55 a corporate tax, value-added tax, withholding stamp duty, income tax withholding and stamp duty assessments were applied. Group has paid details which is represented in provisions notes, through reservation at the date of 12 August 2013, demanded cancellation of substantially payment and claimed a stay of execution. If Group wins the case, penalty amounting to 4.356.55 which paid at the date of 12 August 2013 will be collected

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated)

NOTE 15 - BENEFITS TO PERSONNEL

Benefits to personnel

	31 December 2013	31 December 2012
Payables to personnel	2.748.995	1.905.019
Social security payables	2.225.581	1.849.610
Personnel income and stamp tax payable	2.123.088	1.103.878
	7.097.664	**4.858.507**

Long term benefits to personnel

	31 December 2013	31 December 2012
Provision for employment termination benefits	22.600.537	17.242.049
	22.600.537	**17.242.049**

Provision for employment termination benefit is accounted according to the following disclosures:

Under Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month’s salary limited to a maximum of TL 3.254 for each year of service as of 31 December 2013 (31 December 2012: TL 3.034). The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The following actuarial assumptions were used in the calculation of the total liability:

	31 December 2013	31 December 2012
Annual discount rate (%)	4,06	4,06
Turnover rate to estimate the probability of retirement (%)	95	95

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the liability cap for each year of service is adjusted once in every six months the maximum amount of TL 3.438, which is effective from 1 January 2013 (1 January 2012: TL 2.917), has been considered in the calculation.

	2013	2012
1 January	17.242.049	16.836.006
Interest expense	1.777.075	784.558
Increase during the year	1.534.687	909.932
Actuarial (gain)/loss	4.882.818	(17.282)
Payments during the year	(2.836.092)	(1.271.165)
31 December	**22.600.537**	**17.242.049**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 16 - OTHER ASSET AND LIABILITIES

Other current assets:	31 December 2013	31 December 2012
Value Added Tax ("VAT") receivables	8.056.209	4.241.328
Receivables from personnel	4.645.884	2.212.128
Other value added tax ("VAT") receivables	2.155.810	5.678.979
Other	8.657	1.149.894
	14.866.560	**13.282.329**

Other non-current liabilities:	31 December 2013	31 December 2012
Expense accruals	7.188.497	4.413.954
Deferred income	823.322	556.947
Advances received	205.339	-
VAT to be returned	-	1.470.881
Other	1.090.892	807.142
	9.308.050	**7.248.924**

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated)

NOTE 17- SHAREHOLDERS’ EQUITY

The composition of the Company’s statutory paid-in capital at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	Shareholding percentage (%)	31 December 2012	Shareholding percentage (%)
Componenta	62.543.860	93,57%	62.543.860	93,57%
Held by public	4.300.940	6,43%	4.300.940	6,43%
Total paid-in-capital	**66.844.800**	**100,00%**	**66.844.800**	**100,00%**

The Company has 66.844.800.000 shares (31 December 2012: 66.844.800.000 shares) each with the nominal value of Kr 0.1 as of 31 December 2013. The Company has no privileged shares.

Adjustment to share capital represents the inflation restatement effect of the cash contributions to share capital.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital.

In accordance with Capital Market Board Financial Reporting Standards, above-mentioned amounts should be classified under “Restricted Reserves”. “Restricted Reserves” amount to TL 5.786.834 as of 31 December 2013 (31 December 2012: 23. 23.240.986 TL).

The Group distributed dividends amounting to TL 47.747.050 to shareholders at the date of 5 May 2013. The Group started the distribution of cash dividends commencing from the date of 23 May 2013.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 18 - REVENUE

	1 January - 31 December 2013	1 January - 31 December 2012
Export sales	480.868.204	432.104.555
Domestic sales	160.163.125	182.979.490
Other sales	16.043.379	18.130.205
Sales revenue (gross)	657.074.708	633.214.250
Less: Discounts and returns	(21.418.122)	(20.280.284)
Sales revenue (net)	**635.656.586**	**612.933.966**
Cost of sales	(499.410.008)	
	(494.617.218)	
Gross operating income	**136.246.578**	**118.316.748**

NOTE 19 - RESEARCH AND DEVELOPMENT EXPENSES; MARKETING, SALES AND DISTRIBUTION EXPENSES; GENERAL ADMINISTRATIVE EXPENSES

Marketing Expenses:

	1 January - 31 December 2013	1 January - 31 December 2012
Insurance premiums related to freight and customs procedures	(19.122.074)	(19.622.872)
Packaging	(13.464.623)	(13.234.295)
License fees	(9.015.090)	(9.909.975)
Transportation	(3.243.292)	(3.304.603)
Personnel	(2.481.835)	(2.169.520)
Warehousing	(2.077.673)	(2.612.712)
Sales commissions	(112.623)	(52.837)
Other	(480.581)	(2.247.119)
	(49.997.791)	**(53.153.933)**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 19 - RESEARCH AND DEVELOPMENT EXPENSES; MARKETING, SALES AND DISTRIBUTION EXPENSES; GENERAL ADMINISTRATIVE EXPENSES (Continued)

General administrative expenses:

	1 January - 31 December 2013	1 January- 31 December 2012
Service charges by parent company	(15.144.819)	(16.613.379)
Personnel	(12.769.256)	(9.250.610)
Depreciation and amortization	(746.778)	(288.974)
Subcontractor expenses	(1.271.701)	(1.155.592)
Taxes and stamp duty	(1.239.293)	(404.389)
Auditing and legal counseling expenses	(1.742.802)	(2.134.586)
Repair, maintenance and cleaning	(482.567)	(446.897)
Subscriptions	(410.866)	(383.769)
Travel	(182.724)	(151.231)
Public holiday pay provision	(61.096)	-
Notification payments	(20.850)	(283.437)
Other	(4.971.808)	(4.214.438)
	(39.044.560)	**(35.327.302)**

Research and development expenses:

	1 January - 31 December 2013	1 January- 31 December 2012
Personnel	(2.249.195)	(2.082.404)
Research and development project expenses	(168.305)	(76.980)
Other	(52.913)	(46.200)
	(2.470.413)	**(2.205.584)**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 20 - EXPENSES BY NATURE

	1 January - 31 December 2013	1 January- 31 December 2012
Raw material and supplies	250.620.572	237.413.497
Personnel	129.559.206	107.087.541
Energy	59.410.714	56.792.605
General production expenses	57.510.571	65.642.893
Depreciation and amortization	21.109.262	12.847.715
Transportation, commission and insurance expenses	22.365.365	24.338.663
Service charges by parent company	15.144.819	16.613.379
Packaging	13.464.623	13.234.295
License fees	9.015.090	9.909.975
Warehousing	2.077.673	2.612.712
Other	10.644.877	38.793.481
	590.922.772	**585.286.756**

NOTE 21 - OTHER INCOME/EXPENSES

Other operating income:

	1 January - 31 December 2013	1 January 31 December 2012
Income due to cancellation of provision for VAT to be returmed	31.362.117	2.284.387
Insurance damage incomes	667.884	919.845
Service charges to parent company (*)	319.262	256.375
Income due to cancellation of provision for VAT to be returned	-	1.975.498
Collectible incentive premium	-	48.956
Income due to cancellation of provisions	-	5.000
Other	677.371	952.384
	33.026.634	**6.442.445**

(*) Aforementioned amount represents services provided by the Group employees' to Componenta Oyj.

Other operating expense:

	1 January - 31 December 2013	1 January- 31 December 2012
Other operating interest and foreign exchange loss	(7.341.948)	(4.262.956)
Tax penalty expense (*)	(5.454.666)	-
Rework expenses	(2.968.505)	(1.214.800)
	(15.765.119)	**(5.477.756)**

(*) The Group's operations between January 2007 and June 2010 from the perspective of stamp duty and corporate tax and stamp duty of corparate tax income tax and valued added tax withholding were analysed and TL amounting to 4.356.553 a corporate tax, value-added tax, withholding stamp duty, income tax withholding and stamp duty assessments were applied. Group has paid details which is represented in provisions notes, through reservation at the date of 12 August 2013, demanded cancellation of substantially payment and claimed a stay of execution. If Group wins the case, penalty amounting to 4.356.553 which paid at the date of 12 August 2013 will be collected.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 22 - FINANCIAL INCOME

	1 January - 31 December 2013	1 January- 31 December 2012
Interest income	17.947.274	8.549.343
Foreign exchange gain	2.425.092	2.463.676
Other	-	129.746
	20.372.366	**11.142.765**

NOTE 23 - FINANCIAL EXPENSE

	1 January - 31 December 2013	1 January- 31 December 2012
Interest expenses	(15.380.165)	(11.069.911)
Foreign exchange losses	(14.003.004)	(2.438.365)
Factoring expenses	(12.614.452)	(10.774.155)
Employee termination interest expense	(1.777.075)	-
Finance leasing interest expenses	(1.006.373)	(881.960)
Other	(2.514.407)	(1.493.439)
	(47.295.476)	**(26.657.830)**

NOTE 24 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

At the meeting held on 23 January 2012, Group management has decided to start necessary activities for the sales of wheel production plant at Manisa. According to IFRS 5 wheel production plant planned to be sold has been classified as discontinued operation and IFRS 5 has been applied in the accounting of discontinued operations.

Wheel production plant at Manisa is not classified as discontinued operation due to requirements could not be fulfilled.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 25 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2013	**31 December 2012**
Corporate taxes payable	5.990.538	2.594.867
Prepaid taxes	(6.553.095)	(6.187.591)
Tax provision/ (Prepaid tax)	**(562.557)**	**(3.592.724)**

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

Corporate tax rate for the fiscal year 2013 is 20%. (2012: 20%). Corporate tax rate for the subsidiary of the Group in England is 24% (2012: 24%).

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income and declare by the 14th of the second month following the quarter. (31 December 2011: 20%). Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until 25th of the fourth month following the end of the financial year to which they relate. Tax returns are open for 5 years starting from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Taxation expenses recognized in the consolidated statements of income for the periods ended 31 December 2013 and 2012 are as follows:

	1 January - 31 December 2013	**1 January 31 December 2012**
Current period tax charge	(5.990.538)	(2.594.867)
Deferred tax expense	(5.130.472)	(1.633.973)
Total taxation expense	**(11.121.010)**	**(4.228.840)**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 25 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Deferred income taxes:

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between tax bases of assets and liabilities and their carrying values in the consolidated financial statements, using the currently enacted tax rates. The tax rate applied to temporary differences is 20% (31 December 2012: 20%). The tax rate applied to the Group's subsidiary in United Kingdom is 24% (31 December 2012: 24%).

The composition of cumulative temporary differences and the related deferred tax assets and liabilities calculated using the enacted tax rates at 31 December 2013 and 31 December 2012, were as follows:

	Cumulative temporary differences		Deferred tax assets / (liabilities)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Net difference between the tax base and the carrying value of property, plant and equipment and intangibles	118.626.781	73.542.030	(23.725.356)	(14.708.406)
Revaluation fund for land	63.703.730	63.703.730	(3.185.186)	(3.185.186)
Revaluation fund for land improvements and buildings	20.577.425	20.577.425	(4.115.485)	(4.115.485)
Provision for employment termination benefits and notification payments (Note 16)	(22.600.537)	(17.242.049)	4.520.107	3.448.410
Net difference between the tax base and carrying value of inventories	9.844.188	731.539	(1.968.838)	(146.308)
Holiday pay provision	(627.208)	(728.378)	125.442	145.676
Timing differences in recognition of revenue	(1.738.644)	(341.062)	347.729	68.212
Legal provisions	(2.987.157)	(3.317.799)	597.431	663.560
Provision for doubtful receivables	(4.349.194)	(3.483.058)	869.839	696.612
Price differences	(354.574)	(280.734)	70.915	56.147
Other	(4.039.021)	(2.608.717)	807.803	521.743
Deferred tax liabilities - net			**(25.655.599)**	**(16.555.025)**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 25 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Movements of deferred tax liability can be analyzed as follows:

	2013	2012
1 January	(16.555.025)	(7.582.296)
Current period deferred tax income	(5.130.472)	(1.633.973)
Charged to equity	(840.589)	(7.300.671)
Foreign currency translation differences	(3.129.513)	(38.085)
31 December	**(25.655.599)**	**(16.555.025)**

The reconciliation of the taxation on income in the consolidated statement of income for the periods ended 31 December 2013 and the taxation on income calculated with the current tax rate over income from continuing operations before tax is as follows:

	2013	2012
Net income before tax	26.431.795	19.050.957
Effective tax rate	20%	20%
Provision for corporate tax calculated by effective tax rate	(5.286.359)	(3.810.191)
Effect of tax rate difference between England and Turkey	25.678	65.761
Effect of share in associates	(21.573)	34.491
Effect of disallowable expenses	(74)	(479.656)
Effect of discounts	(356.601)	64.636
Foreign currency translation differences	(5.150.928)	
Other	(331.153)	(103.881)
Tax provision	**(11.121.010)**	**(4.228.840)**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 26 - RELATED PARTY DISCLOSURES

Amounts due from and due to related parties at the end of the period and transactions with the related parties during the period are summarized below:

a) Due from related parties:

i. Trade Receivables:

	31 December 2013	31 December 2012
Componenta Främmestad AB	23.767.449	15.518.786
Componenta Finland Oy Högfors	3.027.806	5.379.936
Componenta B.V.	2.192.517	1.309.934
Componenta.B.V.Weert Machine Shops	1.578.776	831.984
Componenta Oyj	169.546	67.496
Other	254	-
	30.736.348	**23.108.136**

ii. Other Receivables:

a) Short-term other receivables:

	31 December 2013	31 December 2012
Financial receivables-Componenta (*) (Note 7)	307.874.401	18.820.595
Due from personnel	1.808.669	1.812.710
	309.683.070	**20.633.305**

b) Long-term other receivables:

	31 December 2013	31 December 2012
Financial receivables-Componenta (*) (Note 7)	10.574.113	212.198.246
	10.574.113	**212.198.246**

(*) The aforementioned amount consists of loans lended to Componenta Oyj amounting to Euro 89.358.799 and GBP 14.708.873 and their accruals. The maturity of loan amounting to TL 104.067.672 is 30 June 2014 (31 December 2012: The aforementioned amount consists of loans lended to Componenta Oyj amounting to Euro 91.720.000 and GBP 4.530.000 at 27 April 2012 and 27 June 2012 and their accruals.)

According to The Communiqué IV, No:41 "the Principles which the Corporations subject to the Capital Market Law are Required to Follow" issued by the CMB, transfer of assets, liabilities or services to related parties which exceeds 10% of total assets should be fair and reasonable. In this context, the Group has determined interest rate of loans lended to Componenta Oyj by adding 10% margin on interest rates of loans as a base. Annual effective interest rate of the loans lended to Componenta Oyj is 6,6% for Euro and 5,5% for GBP.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 26 - RELATED PARTY DISCLOSURES (Continued)

b) Trade payables to related parties:

	31 December 2013	31 December 2012
Componenta Oyj	1.103.143	2.445.776
Kumsan	497.005	463.939
Componenta B.V.	117.622	97.586
Componenta Pietarsaari	43.035	264.652
Componenta Finland Oy Högfors	7.422	93.719
Componenta Främmestad AB	547	88.086
Other	-	-
	1.768.774	**3.453.758**

c) Short-term other payables to related parties:

	31 December 2013	31 December 2012
Due to personnel	2.748.994	1.905.019
Due to shareholders	23.653	68.436
	2.772.647	**1.973.455**

d) Sales to related parties:

Detailed breakdown of sales to related parties for the period between 1 January – 31 December 2013 are as follows:

	Trade goods	Model	Service of management	Total
Componenta Främmestad AB	35.014.558	1.639.767	-	36.654.325
Componenta Finland Oy Högfors	8.955.999	-	-	8.955.999
Componenta B.V.	1.894.648	5.979	-	1.900.627
Comp.B.V.Weert Machine Shops	603.064	4.792	-	607.856
Componenta Oyj	-	-	265.057	265.057
Componenta Pıetarsaari	3.071	-	-	3.071
	46.471.340	**1.650.538**	**265.057**	**48.386.935**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE-26 - RELATED PARTY DISCLOSURES (Continued)

Detailed breakdown of sales to related parties for the period between 1 January - 31 December 2012 are as follows:

	Trade goods	Model	Service of management	Total
Componenta Främmestad AB	51.485.271	965.714	-	52.450.985
Componenta Finland Oy Högfors	7.059.614	-	-	7.059.614
Componenta B.V.	4.341.740	-	-	4.341.740
Comp.B.V.Weert Machine Shops	2.523.552	159.373	-	2.682.925
Componenta Oyj	-	-	319.261	319.261
	65.410.177	**1.125.087**	**319.261**	**66.854.525**

e) Goods and services received:

Detailed breakdown of purchases from related parties for the period between 1 January - 31 December 2013 are as follows:

	Cost of license	Service of management	Other	Total
Componenta Oyj	6.843.140	15.144.819	-	21.987.959
Kumsan A.Ş.	-	-	1.419.976	1.419.976
Componenta B.V.	-	-	1.060.273	1.060.273
Componenta Pietarsaari	-	-	670.913	670.913
Componenta Främmestad AB	-	-	153.659	153.659
Componenta Karkkıla	-	-	94.789	94.789
	6.843.140	**15.144.819**	**3.399.610**	**25.387.569**

Detailed breakdown of purchases from related parties for the period between 1 January - 31 December 2012 are as follows:

	Cost of license	Service of management	Other	Total
Componenta Oyj	6.937.846	16.487.777	-	23.425.623
Componenta B.V.	-	-	1.209.229	1.209.229
Componenta Pietarsaari	-	-	931.262	931.262
Componenta Karkkıla	-	-	351.446	351.446
Componenta Främmestad AB	-	-	347.759	347.759
	6.937.846	**16.487.777**	**2.839.696**	**26.265.319**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE-26 - RELATED PARTY DISCLOSURES (Continued)

f) Financial income:

	1 January- 31 December 2013	1 January- 31 December 2012
Componenta Oyj	15.482.765	10.210.658
Interest obtained from personnel	87.902	156.167
Divident income	105.420	90.360
	15.676.087	**10.457.185**

h) Remunerations to key management personnel:

Key management personnel include general manager and directors and remunerations provided to key management personnel are as follows:

	1 January- 31 December 2013	1 January- 31 Demeber 2012
Short-term benefits	2.237.762	6.128.047
Other long-term benefits	210.018	895.200
Benefits after retirement	-	153.451
Total	**2.447.780**	**7.176.698**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 27 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks; these risks are market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

a) Interest-rate risk

The Group makes investments to short term financial instruments in order to manage the risk with natural hedging by compensating the terms of interest rate sensitive assets and liabilities.

Interest-risk of the Group is derived from financial liabilities which have short and long term maturity

	31 December 2013	31 December 2012
Financial instruments with fixed interest rate		
Financial assets	26.802.660	40.943.772
Financial liabilities	350.700.936	238.168.356
Financial instruments with variable interest rate		
Financial assets	262.402.112	211.478.848
Financial liabilities	12.683.293	9.936.518

Loans with variable interest rates which are classified as financial liabilities in Group's balance sheet are exposed to interest-rate risk due to interest rate changes in market. At 31 December 2013, if Euro and TL denominated interest rates became %1 higher/ lower with all other variables held constant, profit before tax would be lower/ higher by TL 2.497.379 (31 December 2012: TL 403.986).

b) Credit Risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. Credit risk of the Company mainly arises from trade receivables and trade receivables consist of domestic and foreign receivables. In case of any collection problem with customers, the Group reduces the credit risk by limiting transactions with related customers. Analysis of credit risk exposed by types of financial instruments as at 31 December 2013 and 2012 is as follows:

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 27 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (Continued)

b) Credit Risk (Continued)

	Receivables					
31 December 2013	**Trade Receivables**		**Other Receivables**		**Bank Deposits**	**Total**
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**		
Maximum credit risk as of reporting date (A+B+C+D+E)	**30.736.348**	**32.638.420**	**320.257.183**	**433.031**	**26.338.463**	**410.403.445**
Guaranteed portion of the maximum risk	-	4.170.701	-	-	-	4.170.701
A. Net book value of the assets that are not due or that are not impaired	**30.736.348**	**32.638.420**	**320.257.183**	**433.031**	**26.338.463**	**410.403.445**
B. Value of the financial assets whose terms have been renegotiated, otherwise considered as overdue or impaired	-	-	-	-	-	-
C. Book value of the overdue but not İmpaired assets (Note 6)		**32.381.342**				
- Guaranteed portion	-	-	-	-	-	-
D. Net book value of the assets impaired	-	4.319.567	-	-	-	-
Overdue (gross book value)	-	(4.319.567)	-	-	-	-
İmpaired (-)	-	-	-	-	-	-
Guaranteed portion of the net book value	-	-	-	-	-	-
Not due (gross book value)	-	-	-	-	-	-
İmpaired (-)	-	-	-	-	-	-
Guaranteed portion of the net book value	-	-	-	-	-	-
E. Off balance sheet items with credit risk	**-**	**-**	**-**	**-**	**-**	**-**
E. Off balance sheet items with credit risk	**-**	**-**	**-**	**-**	**-**	**-**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 27 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (Continued)

b) Credit Risk (Continued)

31 December 2013	Receivables					
	Trade Receivables		Other Receivables		Bank Deposits	Total
	Related Parties	Other Parties	Related Parties	Other Parties		
Maximum credit risk As of reporting date (A+B+C+D+E)	**23.108.136**	**29.745.971**	**232.831.551**	**443.611**	**40.939.782**	**327.069.051**
Guaranteed portion of the maximum risk	-	4.210.243	-	-	-	4.210.243
A. Net book value of the assets that are not due or that are not impaired	**23.108.136**	**8.050.961**	**232.831.551**	**443.611**	**40.939.782**	**305.374.041**
B. Value of the financial assets whose terms have been renegotiated, otherwise considered as overdue or impaired	**-**	**-**	**-**	**-**	**-**	**-**
C. Book value of the overdue but not İmpaired assets (Note 6)		**21.695.010**				
- Guaranteed portion	-	-	-	-	-	-
D. Net book value of the assets impaired	-	3.772.911	**-**	**-**	**-**	**-**
Overdue (gross book value)		(3.772.911)				
İmpaired (-)	-	-	-	-	-	-
Guaranteed portion of the net book value	-	-	-	-	-	-
Not due (gross book value)						
İmpaired (-)	-	-	-	-	-	-
Guaranteed portion of the net book value	-	-	-	-	-	-
E. Off balance sheet items with credit risk	**-**	**-**	**-**	**-**	**-**	**-**
E. Off balance sheet items with credit risk -	**-**	**-**	**-**	**-**	**-**	

c) Liquidity Risk

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

The Group is provided flexibility in funding through available credit lines considering the dynamics of business environment. The Group management holds adequate cash, credit commitment and factoring capacity that will meet the need for cash for 4-weeks in order to manage its liquidity risk. In this context, the Group has credit commitments from banks amounting to Euro 181.716.00 that the Group can utilize whenever needed, and a factoring agreement of Euro 23.4 million, Dollar 65 million and TL 51 million

Remaining maturities of liabilities which includes interest are disclosed in the following page:

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 27 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (Continued)

c) Liquidity Risk (Continued)

	31 December 2013						
	Net book value	**Agreed total cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**5-10 years**	**Cash**
Agreement terms:							
Non-derivative financial liabilities							
Bank loans	350.700.936	355.493.376	6.651.190	256.688.871	92.153.315	-	-
Finance lease liabilities	12.683.293	13.589.424	2.011.210	4.022.420	7.555.794	-	-
Total	**363.384.229**	**369.082.800**	**8.662.400**	**260.711.291**	**99.709.109**	**-**	**-**

	31 December 2012						
	Net book value	**Agreed total cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**5-10 years**	**Cash**
Agreement terms:							
Non-derivative financial liabilities							
Bank loans	238.168.356	242.486.958	6.302.215	27.210.447	208.974.296	-	-
Finance lease liabilities	9.936.518	11.956.456	623.219	3.589.566	7.743.671	-	-
Total	**248.104.874**	**254.443.414**	**6.925.434**	**30.800.013**	**216.717.967**	**-**	**-**

	31 December 2013					
	Net book value	**Expected total cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Cash**
Expected terms						
Non-derivative financial liabilities						
Trade payables	79.446.896	79.453.683	79.453.683	-	-	-
Other payables	1.244.747	1.244.747	1.244.747			
Other liabilities	13.565.517	13.565.517	13.565.517	-	-	-
Total	**94.257.160**	**94.263.947**	**94.263.947**	**-**	**-**	**-**

	31 December 2012					
	Net book value	**Expected total cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Cash**
Expected terms						
Non-derivative financial liabilities						
Trade payables	59.253.955	59.262.763	59.262.763	-	-	-
Other payables	15.526.702	15.526.702	15.526.702	-	-	-
Other liabilities	7.248.924	7.248.924	7.248.924	-	-	-
Total	**82.029.581**	**82.038.389**	**82.038.389**	**-**	**-**	**-**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 27 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (Continued)

Unearned credit finance expense is not calculated since the maturities of trade payables, other payables and other liabilities are short.

d) Foreign Currency Risk

The Group is expected to foreign exchange risk due to translation into TL of foreign currency denominated assets and liabilities, mainly being foreign currency denominated trade receivables and bank borrowings. Such risk is monitored in meetings held by the Board of Directors. The Group is maintaining a natural hedge through balancing foreign currency denominated assets and liabilities. Factoring transactions, entered into to manage liquidity risk, are also an important element in maintaining such balance.

The table below summarizes the Group's foreign currency position at 31 December 2013 and 2012.Book value of foreign currency denominated assets and liabilities held by the Group are as follows:

	31 December 2013	31 December 2012
Total export	382.069.375	421.524.415
Total import	93.488.852	104.885.250
Hedging ratio of foreign currency position	0%	0%

NOTE 27 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency position

	31 December 2013					**31 December 2012**				
	TL Equivalent (Functional Currency-Euro)	**USD**	**TL**	**GBP**	**SEK**	**TL Equivalent (Functional Currency-TL)**	**USD**	**Euro**	**GBP**	**SEK**
1. Trade Receivables	39.882.157	133.191	(241.761)	11.345.802	-	425.662	17.457	-	385.256	-
2a. Monetary Financial Assets including Cash, Banks accounts)	4.993.137	1	4.977.673	4.403	-	14.207.163	1.646.476	9.495.923	370.901	-
2b. Non-monetary Financial Assets	-	-	-	-	-					
3. Other	1.808.670	-	1.808.669	-	-	1.942.577	-	1.942.577	-	-
4. Current Assets (1+2+3)	**46.683.963**	**133.192**	**6.544.582**	**11.350.205**	-	**16.575.402**	**1.663.933**	**11.438.500**	**756.157**	**-**
5. Trade Receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Fixed Assets (5+6+7)		**-**	-	-	-	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**46.683.963**	**133.192**	**6.544.582**	**11.350.205**	-	**16.575.402**	**1.663.933**	**11.438.500**	**756.157**	**-**
10. Trade Payables	66.854.664	4.597.375	55.909.615	322.627	-	48.789.325	3.277.698	41.681.848	440.523	-
11. Financial Liabilities	-	-	-	-	-	-	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-	-	6.201.299	-	4.387.649	631.758	-
12b. Other Non-monetary Liabilities	-	-	-	-	-	-	-	-	-	-
13. Short-term Liabilities (10+11+12)	**66.854.664**	**4.597.375**	**55.909.615**	**322.627**	-	**54.990.624**	**3.277.698**	**46.069.497**	**1.072.281**	**-**
14. Trade Payables	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	9.731.200	1.011.336	7.572.704	-	-	19.419.826	6.489.572	7.851.514	-	-
16 a. Other Monetary Liabilities	-	-	-	-	-	-	-	-	-	-
16. b Other Non-monetary Liabilities	-	-	-	-	-	-	-	-	-	-
17. Long-term Liabilities (14+15+16)	**9.731.200**	**1.011.336**	**7.572.704**	-	-	**19.419.826**	**6.489.572**	**7.851.514**	**-**	**-**
18. Total Liabilities (13+17)	**76.585.864**	**5.608.711**	**63.482.319**	**322.627**	-	**74.410.450**	**9.767.270**	**53.921.011**	**1.072.281**	**-**
19. . Net Asset / (Liability) Position of the Off- Balance-Sheet Foreign Exchange Based Derivatives (19a-19b)	**(85.053.740)**	**-**	**(53.100.000)**	**(9.100.000)**	**-**	**(84.486.041)**		**(66.400.000)**	**(6.300.000)**	**-**
19.a. The Amount of the Asset Type Off-Balance-Sheet Foreign Exchange Based Derivatives	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**
19.b. The Amount of the Liability Type Off Balance-Sheet Foreign Exchange Based Derivatives	**85.053.740**	**-**	**53.100.000**	**9.100.000**	-	**84.486.041**	**-**	**66.400.000**	**6.300.000**	**-**
20. Net foraign exchange Assets/(Liability) Pozition (9-18+19)	**(114.955.641)**	**(5.475.519)**	**(110.037.737)**	**1.927.578**	-	**(142.321.089)**	**(8.103.337)**	**(108.882.511)**	**(6.616.124)**	**-**
21. Net foraign exchange Assets/(Liability) Pozition of the monatery ıtems (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16)	**(31.710.570)**	**(5.475.519)**	**(58.746.407)**	**11.027.578**	-	**(48.615.581)**	**(8.103.337)**	**(44.425.088)**	**(316.124)**	**-**
22.Total Export	**382.069.375**	**382.069.375**	**89.297.591**	**17.465**	**-**	**30.859.029**				
23. Total İmport	**93.488.851**	**93.488.851**	**71.499.302**	**39.850.475**	**14.177**					

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 27 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2013	**Profit/Loss**		**Shareholders' Equity**	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**	**Appreciation of Foreign Currency**	**Depreciation of Foreign Currency**
%10 change in USD against TL	**(397.970)**	**397.970**	-	-
1. USD net asset/liability				
2. Hedged from the USD risk (-)				
3. USD Net Effect (1+2)	**(397.970)**	**397.970**	-	-
%10 change in Avro against TL				
4. Avro net asset/liability	(1.938.966)	1.938.966	-	-
5. Hedged from the Avro risk (-)	(1.808.275)	1.808.275		-
6. Net Avro Effect (4+5)	**(3.747.241)**	**3.747.241**	-	-
%10 change in GBP against Avro				
7. GBP net asset/liability	1.318.653	(1.318.653)	-	-
8. Hedged from the GBP risk (-)				
9. Net GBP Effect (7+8)	**1.318.653**	**(1.318.653)**		
Total (3+6+9)	**(2.826.558)**	**2.826.558**	-	-

31 December 2012	**Profit/Loss**		**Shareholders' Equity**	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**	**Appreciation of Foreign Currency**	**Depreciation of Foreign Currency**
%10 change in USD against TL				
1. USD net asset/liability	(1.415.424)	1.415.424	-	-
2. Hedged from the USD risk (-)				
3. USD Net Effect (1+2)	**(1.415.424)**	**1.415.424**	**-**	**-**
%10 change in Avro against TL				
4. Avro net asset/liability	(3.393.391)	3.393.391	-	-
5. Hedged from the Avro risk (-)				
6. Net Avro Effect (4+5)	**(3.393.391)**	**3.393.391**	**-**	-
%10 change in GBP against Avro				
7. GBP net asset/liability	(88.926)	88.926	-	-
8. Hedged from the GBP risk (-)				
9. Net GBP Effect (7+8)	**(88.926)**	**88.926**	**-**	**-**
Total (3+6+9)	**(4.897.741)**	**4.897.741**	**-**	**-**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 27 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (Continued)

e) Price Risk

The Group is exposed to commodity (gray cast iron, aluminium) price risk due to the nature of its business. In order to limit the price risk, the Group makes contracts on fixed prices based on the production capacity estimates performed at the beginning of period.

f) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of debt/equity ratio. The Group has not set any specific target in regards to this ratio and determines its strategies by evaluating the market conditions and the needs of the Group arising from operations for each period.

	31 December 2013	31 December 2012
Financial liabilities	363.384.229	330.134.455
Less: Cash and cash equivalents (Note 4)	(26.802.660)	(40.943.772)
Net liability	336.581.569	289.190.683
Total equity	333.271.867	302.960.456
Financial liabilities/equity ratio	**101%**	**95%**

NOTE 28 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGING DISCLOSURES)

Finding access to financial markets and managing financial risks arisen from operational activities of the Group fall under the responsibility of the Group's finance department. Aforementioned risks include market risk (foreign exchange risk, interest rate risk and price risk). Financial risk covers market risk (exchange rate risk, fair value of interest risk and price risk), credit risk, liquidity risk and cash flow risk.

In order to hedge these risks, the Group uses forward foreign currency transaction agreements as a financial instrument at times.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated)

NOTE 28 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGING DISCLOSURES) (Continued)

	31 December 2013		31 December 2012	
	Contractual Amount	**Current Value**	**Contractual Amount**	**Current Value**
Derivative foreign exchange financial instruments				
Forward foreign exchange sales transactions -Avro	53.100.000	(367.012)	29.407.011	(478.266)
Forward foreign exchange sales transactions -GBP	3.800.000	(118.371)	18.086.040	189.041
Exchange rate swap buying transactions	11.575.000	(3.107.500)		
		(3.592.883)		**(289.225)**

As of 31 December 2013, the Group has forward foreign exchange purchase agreements that have a total value 53.100.000 TL against 17.883.630 Euro, 3.800.000 GBP against 4.557.666 Euro forward foreign exchange sale agreements that have a total value. With regard to these contracts, an income accrual of 3.592.883 TL is recognized in consolidated financial statements. (31 December 2012: TL 289.225 income accrual). In addition to this with regard to swap contracts for loans amounting to 11.575.000 TL, an income accrual of 3.107.500 TL is recognized in consolidated financial statements

NOTE 29 - EARNINGS PER SHARE

For 1 January - 31 December 2013 and 1 January - 31 December 2012 accounts terms, weighted average of Group's share and profit accounts for unit share:

	31 December 2013	**31 December 2012**
Weighted average number of ordinary share with a nominal value of Kr 0.1	66.844.800.000	66.844.80
Net profit for the year (TL)	15.310.785	14.822.120
Earnings per share with nominal value of TL 0.01(1 KR)	**0,2290**	**0,2217**

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