



'13 annual report

Sarkuysan's I.D.

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

Date of Foundation: 03.05.1972

Registered Capital: TL200.000.000,00

Paid-up Capital: TL100.000.000,00

Trade Registry Number: 13898

Venue of Registration: Gebze Registry Office

Address: Emek Mahallesi Aşıroğlu Caddesi No: 147 41700 Darıca – Kocaeli – TURKEY

Telephone: 90.262.676 66 00

Telefax: 90.262.676 66 81, 90.262.676 66 83

E-mail: info@sarkuysan.com

Web Site: www.sarkuysan.com

The 42nd Ordinary General Meeting of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Date: 28.03.2014 **Time:** 14.30

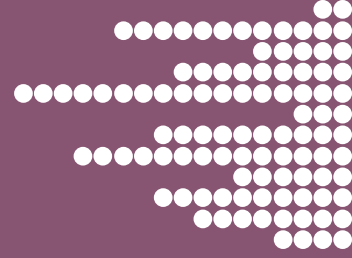
Venue: Emek Mahallesi Aşıroğlu Caddesi No: 147 41700 Darıca-Kocaeli/TURKEY

Agenda of the Annual General Meeting of Shareholders

- 1- Opening and election of the Council
2. To empower the Council to sign the Minutes of the General Meeting and the attendance list,
3. To read and to discuss the Report of the Board of Directors for the year 2013,
4. To read the Report of Independent Auditors for the year 2013,
5. To read, to discuss and to ratify the Consolidated Financial Statements for the year 2013,
6. To ratify the nominations of Directors to replace the vacancies in accordance with the Article No.363 of the Turkish Commercial Code,
7. To discharge the Board of Directors for the operations of the company during the year 2013,
8. To present information to the shareholders on the "Policy of the profit distribution of the company" for 2013 and the following years in accordance with regulations of the Capital Markets Board,
9. To determine the mode of use of the profit for the year 2013 as well as the distributable profit amount and the ratio of dividends and the date of distribution,
10. To present information to the shareholders on pledges, guarantees and mortgages related with the company
11. To present information to the shareholders on the donations made by the company in 2013 and to determine a ceiling for the donations to be made in 2014 in accordance with the regulations of the Capital Markets Board,
12. To present information to the shareholders on "the Company's Disclosure Policy" in accordance with the relevant regulations of the Capital Markets Board,
13. To present information to the shareholders on the remuneration principles of the Board of Directors and senior officers in accordance with the regulations of the Capital Markets Board,
14. To discuss and determine the proposal of the Board of Directors on the election of the Independent Audit Company for the year 2014 and in accordance with the Turkish Commercial Code Nr. 6102 to elect the auditors,
15. Election of the board of directors and to determine their term of Office,
16. To determine the salaries and benefits of the members of the Board of Directors,
17. In accordance with the regulations of the Capital Markets Board, election of the two independent directors nominated by the Board of Directors, to determine their term of office and gross monthly salaries,
18. To empower the members of the Board of Directors to practice the transactions under the 395th and 396th articles of the Turkish Commercial Code and in accordance with the regulations of the Capital Markets Board,
19. Wishes and proposals, the meeting adjourns.

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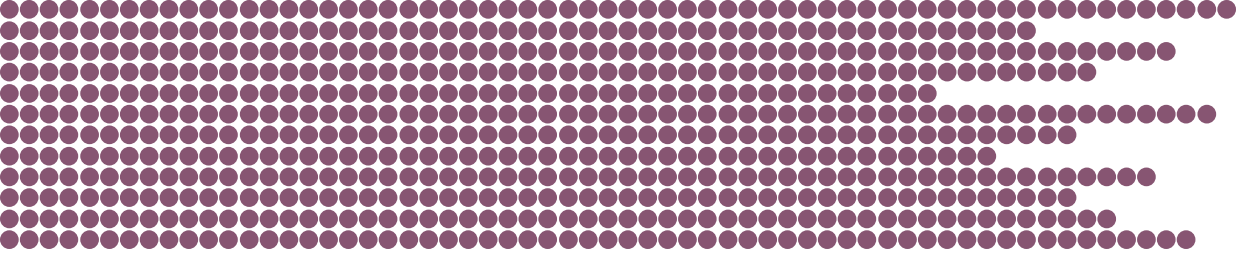
Mission and Vision Statements

Our Vision

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

Our Mission

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



History



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

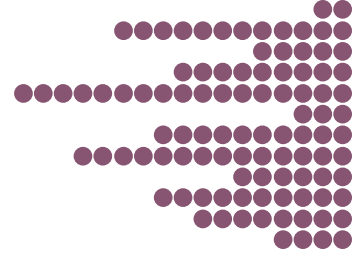
We remember with respect all the dear members of our family who passed away.

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

The company has a special place in the history of industrialization of the country as the first successful publicly held corporation. The production plants of Sarkuysan are located in Gebze and Darıca, 40 kilometers from Istanbul on the premises on an area of 180.000 square meters and with a covered area of over 77.000 square meters where electrolytic copper products, copper tube and bus bars are produced. The company increased annual production capacity to over 200.000 tons which was 10.000 tons at the initial stage. The company's products are the standard input materials of several industries including electro technique, electronics, motor, communication, power generation and distribution, solar and renewable energy, home appliances, measurement instruments, defense, automotive, chemical, construction, heating, air-conditioning and sanitary plumbing. The company carries out its activities in accordance with the requirements of the ISO- EN 9001 and ISO/TS 16949 Quality Management Systems. The company has also

obtained certificates of ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System. Sarkuysan, with its trademark "sks" products meets a significant portion of the domestic market needs, and exports approximately half of its products to nearly 60 countries in five continents. It is estimated that a significant number of the automobiles and commercial vehicles produced in Europe currently use Sarkuysan wires. For many years the company has been selling oxygen free and nickel plated copper wires to the suppliers of NASA and in recent years to aircraft industry.

The company has about 650 employees. Nearly 90 per cent of the workers at the production units are graduates of either vocational schools or high school and they attend on-the-job and outside training programs every year.



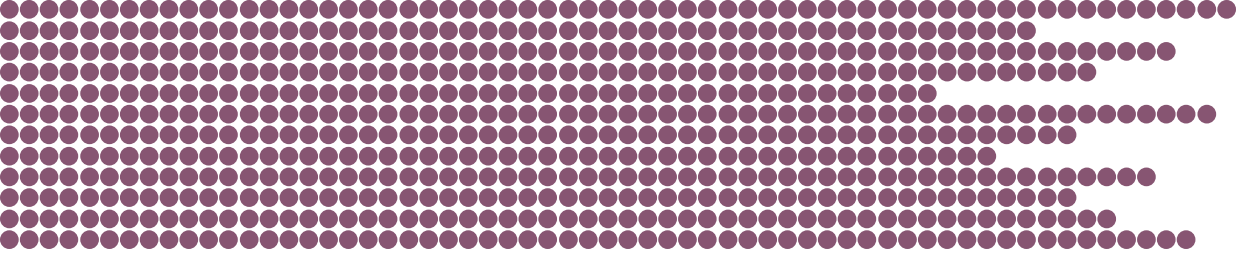
The Company manufactures a significant portion of its own machinery or plants to be used in house. In addition, a considerable portion of power and steam requirements of the Company are generated at the power generator on its premises. Sarkuysan, utilizing its own know-how and technological information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

Sarkuysan is a group of companies. Bemka A.Ş., one of the leading cable and enameled copper wire manufacturers of Turkey with an annual production capacity of 27.000 tons with plants in Gebze and Tuzla Industrial Zones was acquired in the last quarter of 2012 through a deal which consisted of a purchase of 57,3% of the company's capital of TL35.000.000,00.

The group consists of SARMAKİNA A.Ş., active in the field of manufacture of machinery spare parts as well as environmental protection technologies, DEMİSAŞ A.Ş., a manufacturer of nodular and grey iron and various parts for the automotive and machinery manufacturing industry, SARDA A.Ş. marketing and sales company of Sarkuysan products and BEKTAŞ A.Ş. an affiliated company in Bemka A.Ş. In line with its intensive export sales marketing efforts, Sarkuysan has a branch, Sarkuysan S.P.A., in Italy and sales and marketing corporation, Sark-USA, Inc., in the USA since 2002. Sark-Wire, Incorporated in Albany, New York, commenced production at its own plant in Albany towards the end of 2009. Thus Sarkuysan became a pioneer Turkish company with a production facility in the USA. Also high value added products are produced at the Aegean Free Zone plant of the company and exported to various countries.

In line with the corporate image of a socially responsible entity, Sarkuysan realizes various social projects in many fields. The company, for example, contributed to the cultural legacy by restoring the historical Frej Han building, used as the company headquarters for many years until recently; it further contributed to education by building Sarkuysan High School in Gebze and Sarkuysan Nursery and Primary School and by awarding scholarships to students for higher education; in the area of religious affairs it contributed by building Sarkuysan Mosque in the Ottoman Architectural style; to health by allocating funds every year for the purchase of much needed medical equipment donated to state hospitals; to sport it contributed with its table tennis team often representing the country in the European Cup Winners' Championship, to art with folklore and modern dance groups as well as with its Turkish Music Chorus made up of our employees, to the environment the Company helped by forestation works and to the promotion of the country by hosting international events and organizations related to its sector.

SARKUYSAN supplies many products, made in accordance with international standards with "sks" trademark to both domestic and world markets. These products are used as input material for the manufacture of industrial products that facilitate and add color to our lives. Every year the company offers employment opportunities to many people. With approximately 5.000 shareholders, Sarkuysan, with its tax payments and distribution of dividends, and foreign currency revenues, creates added value for the country's economy. Today Sarkuysan is a dynamic and enterprising International Corporation truly publicly owned and run by professional management with a modern management structure.



Chairman's Message



Hayrettin ÇAYCI
Chairman

Dear Shareholders,

Welcome to the 42nd Ordinary General Meeting of the Company. I respectfully salute all of you.

First of all, I would like to briefly touch on the general state of the economy over the past year.

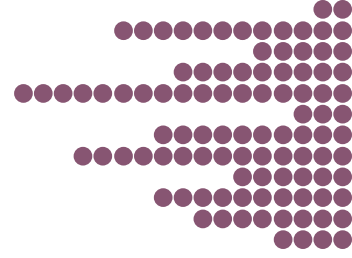
2013 was again a year with economic hardships. The economies of the developed countries followed a downward trend while growth was around 1%. The growth of many developing economies lost momentum and decreased to an average of 4.8%. As a result global growth at year end was below the average at 2.9%.

In our country, during the last days of December, in line with the developments in the international markets, and particularly due to the determination of the FED concerning limitation of the monetary expansion,

The fact that Sarkuysan was appointed as a "Testing Mill" during the registration process of A Grade Copper Cathodes by the London Metal Exchange is a development that acknowledges the trust and respect extended to our company internationally.

extensive pressure on foreign exchange rates were felt. Unfortunately, we entered the New Year amid a domestic political turmoil which even put the global economic risks in the shadow. Due to harsh politics and crisis of confidence in the country an unstable period commenced whose effects on the economy are extensively felt. Jumps and spikes in the foreign exchange rates and interest rates which exceeded even the most pessimistic forecasts are concrete indications of this fact.

In fact, the world entered 2014 with more optimistic expectations in comparison to the previous year. Economic growth in the USA gained momentum and signals in EU commenced to emerge indicating the economy is on its way to leave the crisis behind. Unfortunately, due to the domestic political turmoil, we have not been a part of this promising picture.



When we have a general look at 2013 from the standpoint of our country, the growth rate of economy was 4% which can be considered at a good level. However, it should be noted that this growth was stemming from the consumption of imported goods rather than domestic production. The high levels of the rate of current budget deficit to national income and the private sector's external debt, chronic indications of the national economy continued. Also, other facts including the missing of the inflation targets, export sales running on the spot and increase in the imports are causes for concern.

The strongest aspects of our economy outstanding among the other developed ones were that the budget deficit and the rate of public sector debt to national income were lower in comparison to that of the other developed economies.

As I expressed above, the fact that two elections will be held during New Year which we entered with great pessimism due to political developments, is another cause for concern. Political institutions are expected to take right political, economic and social decisions in order to disperse this adverse climate at once.

In 2013, despite the unfavorable global economic climate our company experienced a successful operational year. Due to the stagnation in the developed economies our search for new markets gained momentum to include the developing economies. Also we focused on increasing our profit margin by weighing on high tech products with higher added value.

As Sark Wire, our subsidiary in the USA has made rapid progress, the success and trust we obtained in this market encourages us for new international investment projects.

By the way, I would like share with you a development which acknowledges the trust and respect extended to our company internationally.

Sarkuysan was appointed as a "Testing Mill" during the registration process of A Grade Copper Cathodes by the London Metal Exchange. In other words, the producers of all the new brands of A Grade Copper Cathodes shall have their products tested at our plant for LME registration process. So far, the copper cathodes of two companies from Germany and Bulgaria were tested at our plant. Two more companies from Spain and Kazakhstan will have their copper cathodes tested at our plant as well. Sarkuysan has been the sole testing mill of LME in Turkey and is one of the 12 in Europe and 20 in the world.

As a result, according to the legal book records, our company has recorded a gross profit in the amount of TL63.079.286 for the year 2013. The net profit after tax is TL55.630.808.

I would like to thank all our officers and employees who worked with sacrifice in this period in attaining these results. Also I would like to remember all the members of our society who passed away. I wish that our General Meeting will be to the good of our company.

Yours faithfully,

Hayrettin ÇAYCI
Chairman

Board of Directors*



Hayrettin ÇAYCI
Chairman and CEO

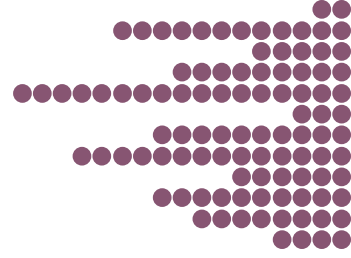
BOARD OF DIRECTORS		
Name and surname	Job Title	Last Election Date
Hayrettin ÇAYCI	Chairman	12.05.2011
Aykut MENETLİOĞLU	Vice Chairman	12.05.2011
Fuat SUCU	Director	12.05.2011
Hamit MÜCELLİT	Director	12.05.2011
Hamdi BEKTAŞ	Director	12.05.2011
Hatice GÜNGÖR	Director	20.06.2013
Cenap TAŞKIN	Director	20.06.2013
Ahmet TOKCAN	Director	24.10.2013
Rıza SARRAF	Director	20.06.2013
Ziya AKKURT	Independent Director	20.06.2013
Hasan Şahin CENGİZ	Independent Director	20.06.2013

*As at 31.12. 2013

Authority

Board of Directors: Stated by the Turkish Commercial Code, Regulations of the Capital Markets Board and Articles of Incorporation

Independent Directors: Stated by the regulations of the Capital Markets Board and Articles of Incorporation

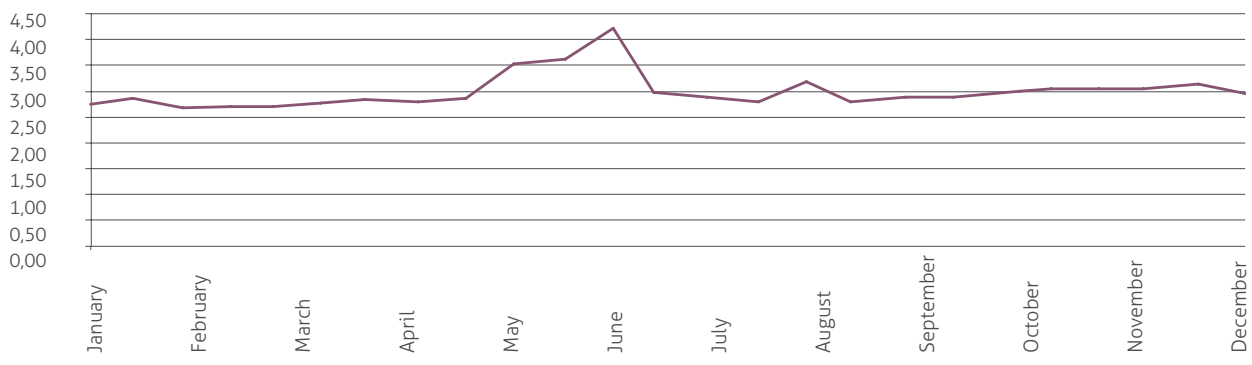


Management

Hayrettin ÇAYCI	President - M.Sc. Metallurgical Engineer
Doğın ÇAKIR	Vice President (Domestic Trade) - M.Sc. Metallurgical Engineer
Sevgür ARSLANPAY	Vice President (Technical) - Chemical Engineer
Ümit ULUÇAM	Vice President (Finance) - Business Administrator
Erhan AKBAŞ	EDP Manager - System Analyst
Sabri ATILLA	Administrative Operations Manager - Business Administrator
Murat AYMAN	Maintenance Manager – Marine Engineer
Ömer CANIBEYAZ	Purchasing Manager – Mechanical Engineer
Murat DOĐANÇA	Marketing Manager - Electrical Engineer
Tolga EDİZ	Continuous Casting Manager - Metallurgical Engineer
Oğuz ERGÜNGÖR	Human Resources Manager - Economist
Dilek Mine GİNİ	Import Manager - Business Administrator
Emine GÜNDAĐ	Manager of Commercial Accounting - Business Administrator (CPA)
Selçuk HARPUT	R&D Manager - Metallurgical Engineer
Şükrü KARAÇ	End Production Manager - Mechanical Engineer
Faruk Şekip KARŞANBAŞ	Industrial Automation and Electronics Maintenance Manager - M. Sc. Electronics Engineer
Meryem KAYA	Export Operations Manager - Business Administrator
İlhan KOCAMAN	Manager of Quality Assurance - Metallurgical Engineer
Levent Şakir KULAÇ	Refinery Manager - Metallurgical Engineer
Filiz TEKİN SALMANLI	Production and Material Planning Manager – Industrial Engineer
Nezih SÜRMEİİ	Sales Manager - Mechanical Engineer
Ferhan TURNAGİL	Manager of Cost Accounting-Economist (CPA)
Ömer Münci ÜNAL	Tube Plant Manager - Mechanical Engineer
Ayşe YAVUZ	Industrial Engineering Manager - Industrial Engineer
M. Mahir YILDIZ	Export Marketing Manager – Foreign Trade Expert
Erkin YILMAZ	Financial Manager - Economist

Capital Structure

Price Movements of Sarkuysan Shares 2013 (TL)



While a company share was TL2,63 on 31.12.2012 on Borsa Istanbul, the price of the company share closed the year by an increase of 12,93% at TL2,97 on 31.12.2013.

100% of our capital is publicly held and through the 100% bonus issue on 31.05.2012, our capital was increased to TL100.000.000. The current capital structure of the company is indicated in the following table.

Capital Shares

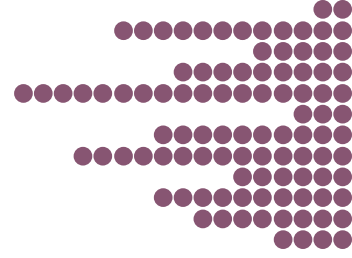
Shares	Paid up Capital (TL)	Number of Shares	Shareholding %
Group A – Registered	5,-	500	0,000005
Group B- Bearer	99.999.995,-	9.999.999.500	99,999995
Total	100.000.000,-	10.000.000.000	100,00000

As of 31.12.2013, the shareholdings of Mr. Hayrettin Çaycı, and Mr. A. Hamdi Bektaş, among the Directors of the company, are 7,20%, and 2,16% respectively. The shareholdings of each of the other Directors are below these percentages. The total shareholdings of Mr. Mehmet Kilimci and Mr. Şükrü KİLİMCİ, our biggest shareholders represents 16,10% of the capital.

As at 31.12.2013, the company share ratio in actual circulation is 67,81%.

Financial Highlights

(TL thousand)	2009	2010	2011	2012	2013
Registered Capital	100.000	100.000	100.000	100.000	200.000
Paid-up Capital	50.000	50.000	50.000	100.000	100.000
Total Par-Value of Shares	4.268	4.268	4.268	4.268	4.268
Total Par-Value of Bonus Shares	45.732	45.732	45.732	95.732	95.732
Capital Increase (%)	-	-	-	100	-
Share price as at year end (TL)	2,70	4,07	3,94	2,63	2,97
Addition of Fixed Assets over the Year	14.282	1.949	4.275	20.618	44.039
Amount of Distributed Dividends (Gross)	-	5.000	7.500	4.118	17.647
Amount of Distributed Dividends (Net)	-	4.250	6.375	3.500	15.000
Dividend Rate (Gross) (%)	-	10	15	8,23	17,65
Dividend Rate (Net) (%)	-	8,50	12,75	7	15



General Information

The Annual Report covers the period from 01.01.2013 to 31.12.2013. During this period, special cases related with the company were made public and announced through public disclosure platform (PDP) and on our website to our shareholders.

The Ordinary General Meeting of the shareholders for the year 2012 was held on 20.05.2013 at the Company Head Office. At this meeting, 79% of the shares representing the capital were present. However, during the discussion of the 4th item of the Agenda, the minority shareholders attending the General Meeting demanded to postpone the General Meeting for a month to examine the financial statements more thoroughly further to Article 420 of the Turkish Commercial Code. The General Meeting thus postponed was held on 20.06.2013 again at the Company Head Office. At the Meeting total 86% of the shares were represented and the Board of Directors was discharged from liability for its activities and all the items of the Agenda were discussed and decisions were taken. At this meeting, Mr. Maksut URUN, Mr. Köksal AHISKA, Mr. Semih YARDIM, and Ms. Didem ERKAN, among the Board of Directors resigned and as their replacements Mr. Şükrü KİLİMCİ, Mr. Rıza SARRAF, Ms. Hatice GÜNGÖR and Mr. Cenap TAŞKIN were elected. However, in place of Mr. Şükrü KİLİMCİ who resigned on 30.09.2013, Mr. Ahmet TOKCAN was appointed by the resolution of Board of Directors dated 24.10.2013 to hold office as a director until the first general meeting. Also Mr. Rıza SARRAF resigned on 06.01.2014 and in his place, Mr. Mehmet Ali YILDIRIMTÜRK was appointed by the resolution of Board of Directors dated 13.02.2014 to hold office as a director until the first general meeting.

In place of Mr. Ziya AKKURT and Mr. Tahsin ÖZTİRYAKI, who were elected as the independent directors for the previous period, Mr. Ziya AKKURT was elected again and Mr. Hasan Şahin CENGİZ replaced Mr. ÖZTİRYAKI.

The electronic general meeting procedures mentioned in the Article 1527 of the Turkish Commercial Code were applied during both general meetings and in addition to the physical attendance of the shareholders those shareholders who fulfilled the required procedures also attended the General Meeting online.

Also our internal directive prepared as per the Article No. 419 of the Turkish Commercial Code was put into effect upon approval of the general meeting.

Our company is subject to the registered capital regulations and with the decision of the general meeting held on 20.06.2013, the ceiling of the registered capital was increased to TL200.000.000,00, from TL100.000.000,00 subject to realization within five years.

In accordance with the Turkish Commercial Code, Capital Markets Legislation and other legal obligations, the 4th, 7th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th and 29th provisions of Articles of Association were amended. Also, 30th Article was amended and included into 35th Article and new Articles numbered 30,31,32,33 and 34 were added to the Articles of Association.

In 2013, 15% net cash dividend out of the profit of the year 2012 was distributed to our shareholders. Dividend distribution took place on 25.06.2013.

Further to the 4th paragraph of the Article No 1524 titled website of the Turkish Commercial Code, our company website was included into the system prepared by MKK (Central Securities Depository). Thus the allocated part of the company website is accessible by all the investors entering MKK portal.

As the trustworthiness of our company has been acknowledged through regular dividend distribution to its shareholders, further to provision no 8.2 of the Basic Rules of the Share Indices of Borsa Istanbul, the company was entitled to be included in BIST Dividend Index and BIST Dividend 25 Index for the first half of 2014. BIST Dividend Index, which has an important place in Borsa Istanbul Indices and was formed as per dividend performance criteria history of the companies, has 82 companies while BIST Dividend 25 has 25 companies.

Financial Position

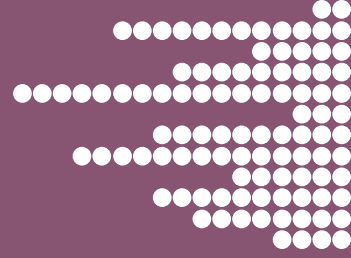
Main Indicators*

(TL thousand)	2012	2013	% Change
Total Assets	847.041	722.889	-14,66
Total Shareholders' Equity and Liabilities	239.801	270.787	12,92
Total Sales (Net)	2.244.400	2.285.433	1,83
Domestic Sales	1.409.817	1.444.755	2,48
Export Sales	834.583	840.678	0,73

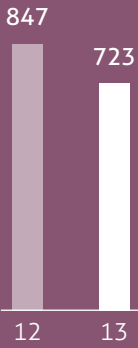
Main Financial Ratios*

	2012	2013
Liquidity Ratios		
Current Ratio (Current Assets/ Short-Term Liabilities)	1,19	1,31
Acid Test Ratio (Current Assets-Inventory/Short-Term Liabilities)	0,97	1,05
Efficiency Ratios		
Asset Turnover Rate (Net Sales/Total Assets)	2,65	3,16
Receivable Turnover Rate (Net Sales/Short-Term Trade Receivables)	5,40	7,45
Days Account Receivable (360/Receivable Turnover)	66,64	48,35
Financial Leverage Ratios		
Total Debts/Total Equity	2,53	1,67
Total Equity/Total Assets	0,28	0,37
Total Debts/Total Assets	0,72	0,63
Short-Term Liabilities / Total Assets	0,69	0,57
Profitability Ratios		
Return on Total Assets (Pre-tax Profit/Total Assets)	0,04	0,09
Return on Equity (Pre-Tax Profit/Equity)	0,13	0,23
Operating Profit Margin (Operating Profit/Net Sales)	0,01	0,05
Profit Margin (Pre-tax Profit/Net Sales)	0,01	0,03

*Figures belong to Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.



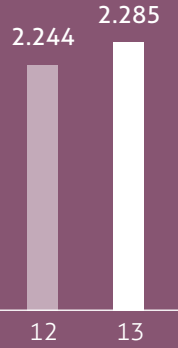
Total Assets
(TL million)



Shareholders' Equity (TL million)



Total Sales
(TL million)



A global star with export sales to nearly 60 countries in 5 continents and production plant in the USA



We are TOP ONE

Sarkuysan maintained its success in export markets and ranked 1st in the "Copper Exports" Category of the "Stars of the Export Awards" granted by the Istanbul Mineral and Metals Exporters' Association in 2013 as well.

Subsidiaries and Affiliates



Demisaş Döküm Emaye Mamulleri San. A.Ş.

Demisaş A.Ş., established in 1974, has a factory located in Bilecik. On these premises, there are two separate foundries, a cupola furnace and induction furnace where melting takes place and 3 Disamatic Lines where the production takes place. In 2013 a machining workshop also started production. The company manufactures hermetic compressor parts, scroll compressor parts, and nodular and gray iron, brake discs, vented brake discs, hub drums, flywheels, exhaust manifolds, rings, brake cylinders, brackets and brake security parts for the automotive industry and water pump bodies. The annual production capacity of the company is 80.000 tons, nearly 47% of which is exported primarily to Western Europe as of 31.12.2013. The shares of this affiliate are quoted on the Borsa Istanbul. The capital ceiling of the company is TL80.000.000,00 and paid up capital is TL35.000.000,00. Our shareholding in Demisaş is 44,44%.

BEKTAŞ

Bektaş Emaye Kablo Sanayi ve Ticaret A.Ş.

Bektaş Bakır Emaye Kablo San. ve Tic. A.Ş.

The company stopped production in 2003. Its capital is TL5.500.000,00 in which our company has a shareholding of 70,71% and Sarda A.Ş. has a shareholding of 29,12%. Bektaş A.Ş. has a shareholding of 17% in Bemka A.Ş. the enameled copper winding wire manufacturer, currently with a capital of TL35.000.000,00.



Sarmakina San. ve Tic. A.Ş.

Established in 1991, the company successfully continues to manufacture steel reels, supplementary special machinery for the wire and cable industry with sales to the leading companies in the domestic and global wire and cable industry. Also the company realizes copper wire paper coating, copper and aluminum bar production for the electromechanical industry and undertakes projects on a turnkey basis to its customer base in other sectors as a manufacturer and subcontractor including steel construction projects. The capital of Sarmakina is TL2.000.000,00 in which our company has a stake of 99%.



Bemka Emaye Bobin Teli ve Kablo Sanayi Ticaret A.Ş.

Established in 2002, Bemka A.Ş. is one of the leading cable and enameled copper wire manufacturers of Turkey with an annual production capacity of 27.000 tons with plants in Gebze and Tuzla Industrial Zones. Bemka A.Ş. meets nearly 40% of the domestic enameled copper wire needs of the country and has export sales to mainly European countries. The capital of Bemka A.Ş. is TL35.000.000,00 in which the stakes of Sarkuysan A.Ş., Bektaş A.Ş., Sarda A.Ş. and Sarmakina A.Ş. are 57,304%, 17%,10% and 10% respectively.



Sarda Dağıtım ve Tic. A.Ş.

Established in 1979 in Istanbul, the company handles a certain part of domestic sales promotions and marketing of Sarkuysan products as well as exports, imports and distributes products within its field of activity. Its successful results have contributed substantially to Sarkuysan's progress for many years. The capital of Sarda A.Ş. is TL10.000.000,00 in which our company has a stake of 99,97%.



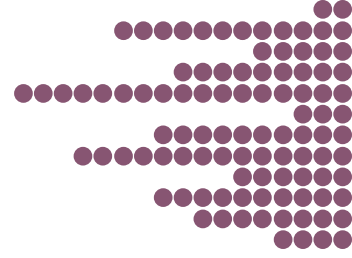
Sark - USA, Incorporated

Incorporated in 2002, Sark-USA, Inc. markets Sarkuysan and Sark-Wire Corp's products directly in the USA. The capital of the company is US\$100.000,00 and is entirely owned by our company.



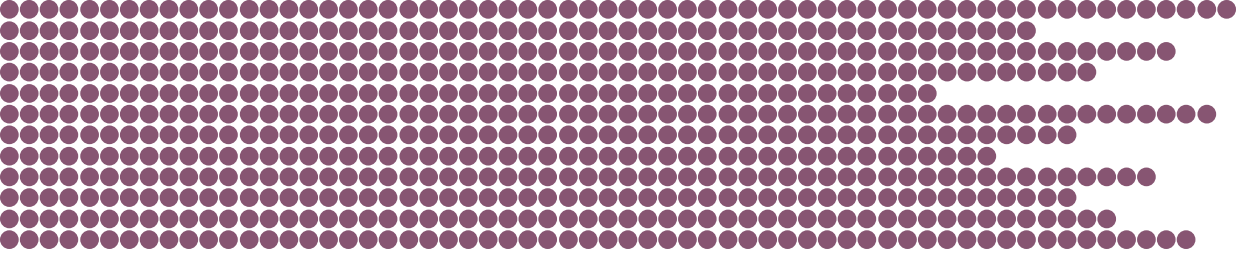
Sark Wire Corporation

Incorporated in 2008 in Albany, New York in the USA, Sark Wire Corporation, commenced production of a wide range of high value added electrolytic copper conductors and other products manufactured of electrolytic copper conductors on 15.12.2009 upon completion of the assembly works of the machinery and plants equipped with the latest technology. In 2012 Sark Wire Corp with the quality level of its products became a company whose products are sought for in the US market. All the operations of the company are carried out in compliance with the ISO 9001 Quality Management System Certificate standards. The capital of the company is USD8.000.000,00 in which stakes of Sarkuysan, Sarmakina, Bektaş and Sark-USA Inc. are 60%, 15%, 12,50% and 12,50% respectively.



Subsidiaries and Affiliates

(TL thousand)	2009	2010	2011	2012	2013
Demisaş Döküm Emaye Mamulleri Sanayi A.Ş.					
Paid-up Capital	28.000	28.000	28.000	35.000	35.000
Our Shareholding	12.444	12.444	12.444	15.554	15.554
Shareholding Rate (%)	44,44	44,44	44,44	44,44	44,44
Bemka Bakır Emaye Bobin Teli ve Kablo Sanayi Ticaret A.Ş.					
Paid-up Capital	-	-	-	35.000	35.000
Our Shareholding	-	-	-	20.056	20.056
Shareholding Rate (%)	-	-	-	57,304	57,304
Bektaş Bakır Emaye Kablo Sanayi ve Ticaret A.Ş.					
Paid-up Capital	5.500	5.500	5.500	5.500	5.500
Our Shareholding	3.889	3.889	3.889	3.889	3.889
Shareholding Rate (%)	70,71	70,71	70,71	70,71	70,71
Sarda Dağıtım ve Tic. A.Ş.					
Paid-up Capital	6.000	6.000	6.000	10.000	10.000
Our Shareholding	5.998	5.998	5.998	9.997	9.997
Shareholding Rate (%)	99,97	99,97	99,97	99,97	99,97
Sarmakina San. Ve Tic. A.Ş.					
Paid-up Capital	2.000	2.000	2.000	2.000	2.000
Our Shareholding	1.980	1.980	1.980	1.980	1.980
Shareholding Rate (%)	99,00	99,00	99,00	99,00	99,00
(USD thousand)	2009	2010	2011	2012	2013
Sark-USA, Inc.					
Paid-up Capital	100	100	100	100	100
Our Shareholding	100	100	100	100	100
Shareholding Rate (%)	100	100	100	100	100
Sark Wire Corporation					
Paid-up Capital	5.000	8.000	8.000	8.000	8.000
Our Shareholding	3.000	4.800	4.800	4.800	4.800
Shareholding Rate (%)	60	60	60	60	60



Annual Operations 2013

Investments

The company continued investment projects which were deemed necessary in 2013 as well. Particularly by taking into consideration the intensive competitive climate in our industry, investment projects focused on high value added products. Utmost care was given so that the machineries and plants which were commissioned during the year possess the latest technologies. By virtue of these investments, the product range was broadened thereby contributing positively towards meeting the customer requirements.

In the wire drawing unit, machinery and capacity expansion investments were made to enable high quality and efficient production as well as broaden product range including alternative metals, particularly for the automotive industry. At the continuous casting plant, copper nugget production machinery was developed as an original facility. Company commenced to sell copper nuggets in 2012 which are widely used in plating applications.

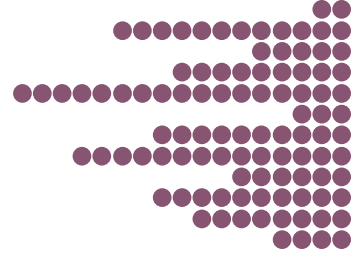
In our rod casting plant a new melting furnace investment with high productivity and capacity is under way to meet the increased requirement for oxygen-free copper input material for the production of round, flat and section wire and power bar. The investment project is planned to be completed and become operational in March 2014.

Our Production Plant in the USA: Sark Wire Corporation

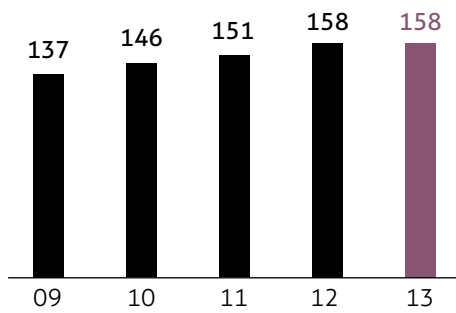
Incorporated in Albany, New York in the USA, the capital of 60% of Sark Wire Corporation is owned by our company. Sark Wire, thanks to the quality level achieved, competitive pricing, short delivery terms, broad product range and a marketing strategy giving priority to customer satisfaction as the main company principle, is a successful corporation whose products are on demand in the North American market with an annual production capacity of 12.000 tons. All the operations of Sark Wire are carried out in compliance with the requirements of ISO 9001 Quality Management System Certificate.




Sarkuysan in Turkey,
Sark Wire in the USA



Production (thousand tons)



Production Operations

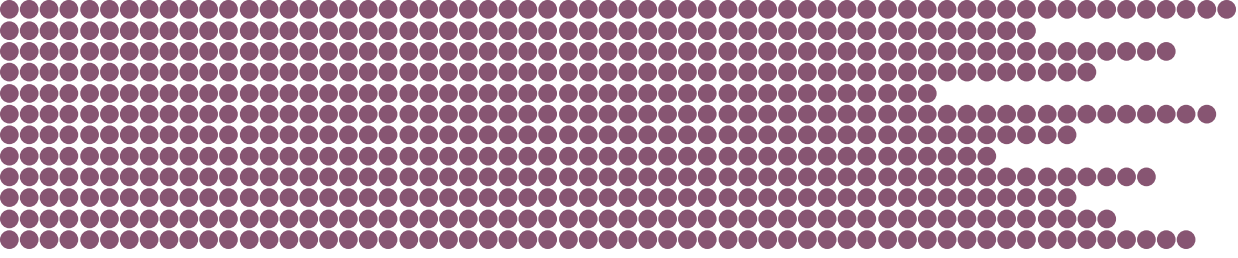
Sarkuysan was founded in 1972 in Istanbul for the production of electrolytic copper products. The production plants of the company are located in Osmangazi, Gebze 40 km from Istanbul on an area of 180.000 m². The "sks" trademark product range which includes various electrolytic copper conductors in various diameters and forms manufactured in accordance with international standards also includes grooved copper tubes and tin plated bus bars. The annual production of the company exceeds 200.000 tons. Environment friendly production is realized at Sarkuysan plants equipped with modern environment protection technologies.

With its subsidiaries and affiliates, approximately 5.000 shareholders, and social projects, Sarkuysan, the first truly publicly owned company of Turkey, has been adding value to the country's socio-economic life since 1972 under its professional management. The company realized net sales of 157.987 tons in 2013.

157.987



Sarkuysan, realized net sales of 157.987 tons in 2013.



Annual Operations 2013

Sales

Following the recovery period in 2012, the global financial crisis became stable. However, in 2013, the problems experienced in the cable sector brought about credibility issues for the companies in this industry. In spite of this, thanks to our knowledge and experience, the company managed to maintain its sales at about the level of the previous year.

Under the circumstances, as a result of the active sales policy and by virtue of our top quality products and our zealous activities, the sales quantity reached 157.987 tons. The company's CIF export sales reached \$438.486.249 while domestic sales proceeds recorded at TL1.444.754.634. In 2013, Sarkuysan exported its products to the countries in EU, America, Eastern Europe, Africa, Middle East and Australia. The company participated in various exhibitions and fairs both abroad and at home to promote sales during the year. Among these are the following:

Exhibitions in 2013

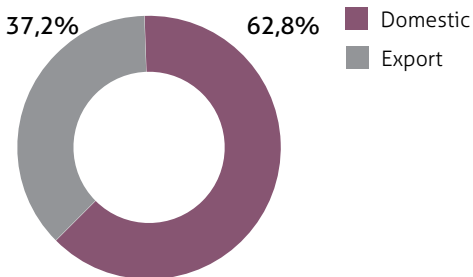
Domestic Exhibitions

- 07-09 March 2013 Eurasia Rail 2013 /CNR Expo Istanbul
- 17-20 April 2013 Teskon+ Sodex 2013 /İzmir
- 24-27 September 2013 Santek 2013 Kocaeli

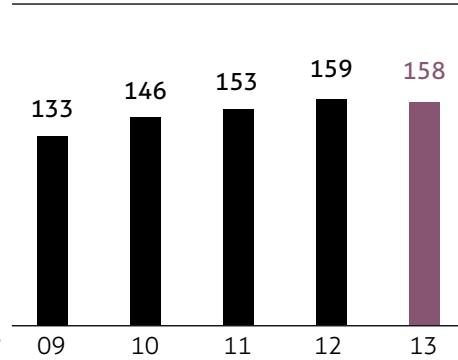
International Exhibitions

- 17-19 February 2013 Middle East Electricity 2013/ Dubai – UAE
- 03- 25 April 2013 Interwire 2013 Atlanta/USA
- 30 May - 02 June 2013 HVAC EXPO 2013/Erbil/Iraq
- 04-06 June 2013 CWIEME Berlin 2013 /Berlin- Germany

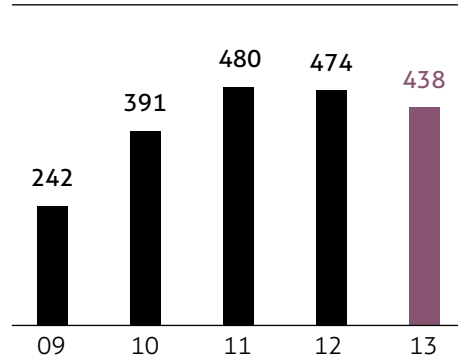
Distribution of Sales Turnover 2013



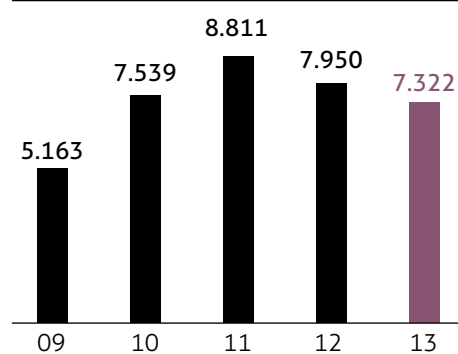
Sales (thousand tons)

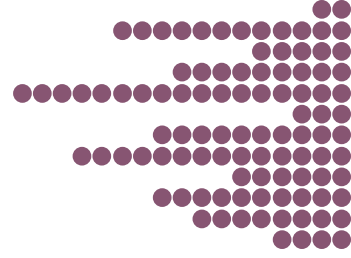


Export Sales (USD million)



LME Copper Prices USD/tons
(Annual Averages)





Research and Development Operations

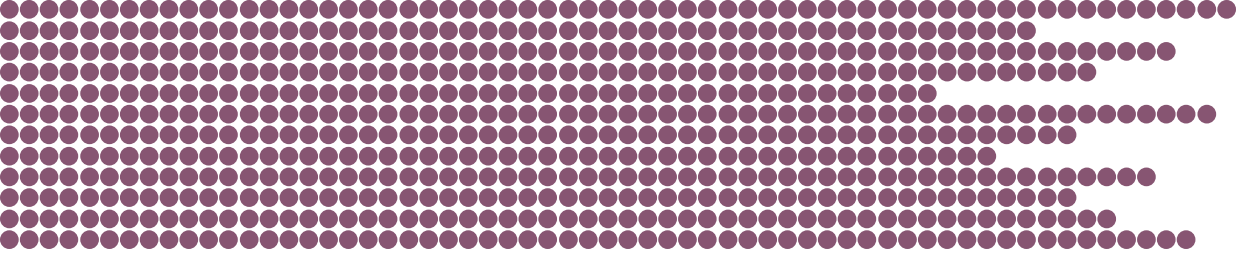
Sarkuysan is aware of the fact that the path to follow to compete with the serious competitors in the international markets goes through Research and Development operations. With this in mind, our R&D operations have been maintained with the aim of contributing to the development of science and technology or to use the current technology and know-how to manufacture new products, improve the existing processes and to carry out work towards developing new projects.



At the Research and Development Department:

- Research and development works are carried out to maintain the top quality of products at all times and broaden our product range by introducing new products;
- Also works to develop special cables with lower cost and higher performance in place of various applications in different industrial fields continued. In this context, highly durable cables have been developed and presented for use in the automotive industry. Also these products have been used in the defense industry. The product which was developed by Sarkuysan exclusively was registered with the trademark of "sks-hsw".
- Works towards the producibility of micro flat wires called "PV Ribbon Wire" at Sarkuysan were carried out and the required equipment was procured and the production commenced during the last quarter of 2013. Micro flat wires, which are particularly used in the Solar PV Panels, used to be exclusively imported into the country. Now this product can be procured from Sarkuysan with 100% local production.





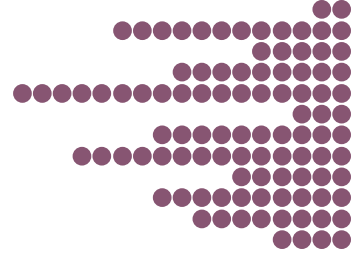
Annual Operations 2013

Quality Policy

Quality is a tradition at Sarkuysan A.Ş. It has always been the main policy of our company to produce "High Quality Goods" which meet the needs and expectations of our customers. Our main aim is to maintain and improve our place among the leading producers in the world quality race by virtue of high technology, accumulation of information, experience, and qualified workforce. We also stick to the principle of "Environment Friendly Production" for a clean nature. Our quality management is based on continuous improvement of quality management system and its effectiveness by investment, coordination and support programs together with complete fulfillment of quality management system requirements in order to meet the expectations of our customers in a world moving towards a single market. Since high quality production is the fruit of the mutual efforts of our workforce, training and incentive programs for the realization and improvement of the quality consciousness constitute the basis of our training policy. Our "Handbook of Quality" which is the basic document of TS EN ISO 9001 and ISO/TS 16949 Quality Management System, explains the complete principles and procedures of the system. Our management and employees must abide by these principles and procedures. These principles ensure that products of Sarkuysan A.Ş. are produced in compliance with customer requirements, national and international standards as well as legal regulations. Effective implementation of the Quality Management System will bring about low cost and high quality production, thus increase our competitiveness both in domestic and international markets. Within the framework of this basic quality policy it is the common and essential duty of our employees to maintain and further improve the success obtained in the product quality. For all the activities included in the Quality Policy, our principle of respecting the environment and giving priority to the health and safety of our employees is supported by our operations in compliance with ISO 14001 Environmental Management System Certificate and OHSAS 18001 Workplace Health and Safety Management System Certificate.




In the forefront of
world quality race

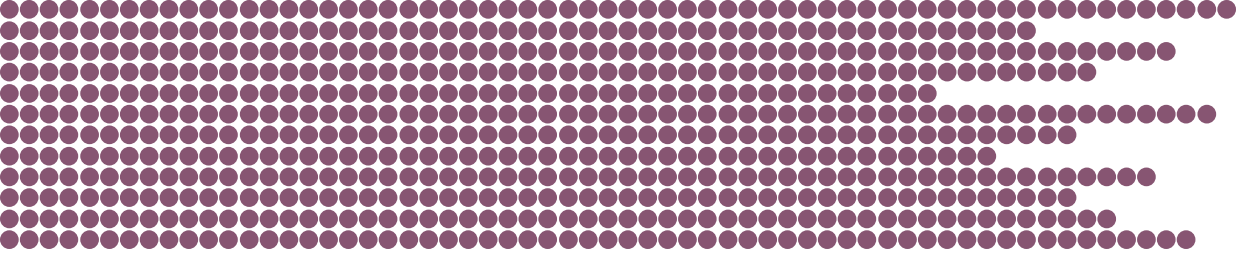


Environmental Protection, Workplace Health and Safety Policy

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



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



Annual Operations 2013

Human Resources

The human resources policy and management operations of the company have been carried out in accordance with the basic company principles and objectives. In 2013, the employment volume of the company increased by 14 new employees in comparison to the previous year and reached 654, including 183 in management, 103 in technical and 368 workers in production departments. To stimulate the occupational and social development, our employees were encouraged to participate in in-house and external training programs. Also various activities were organized to improve the communication and motivation among the employees.

The Remuneration of the Directors and Senior Officers

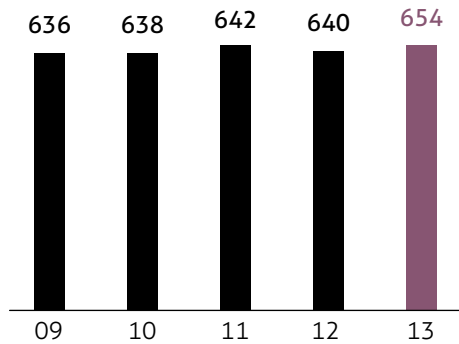
The remuneration of the Directors of the Board is determined by the Ordinary General Meeting held annually.

In the determination of the remuneration of all officers, including the senior officers employed by the company, every year in the beginning of March and September, in line with the collective labor agreement pay raise periods for the workers, a study is carried out taking into consideration the general economic and industrial circumstances and the balance sheet results of the company, as well as the salaries in similar companies in the market, the results of the performance evaluation and also pay raise percentages stemming from the collective labor agreement. This study is evaluated by the Board of Directors and thus determined remuneration is implemented upon approval of the Board.

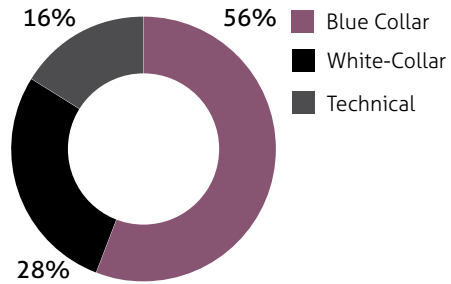
	TL
Attendance fee, wage, premium, bonus and profit share	5.235.452,00
Allowance, travel and accommodation costs, insurance and representation costs	103.463,00
Total	5.338.915,00

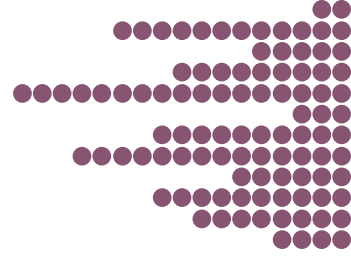


Number of Employees



Distribution of Employees (2013)





Actively involved in social responsibility events

Social Responsibility

The company also realized various activities in line with the corporate image of a socially responsible entity including the following.

- The company continued to contribute to youth education over the year with 64 undergraduates, including employees' children and successful graduates of Sarkuysan High School, being awarded scholarships. Also 62 students were awarded scholarships from a private fund established by our personnel. Vocational high school students and undergraduates are also given the chance of training at the company to the extent of the quota allocated by the company.
- Our relationship with Sarkuysan High School and Sarkuysan Primary School have always been maintained and traditional essay writing contest during the Atatürk Week was organized.
- As it has now become a tradition, Sarkuysan allocates the funds set aside for New Year promotional gifts to the purchase of much needed medical equipment to be donated to state hospitals. In this way, contributions were made to the Gebze Fatih State Hospital.
- Two special educational rooms were prepared at the Centre for the Autistic Children in Gebze to commemorate the 38th anniversary of production start-up.
- Sarkuysan table tennis team continued to compete in the super league.
- Sarkuysan Classical Turkish Music Chorus, made up of our employees, gave a successful concert on the occasion of our 38th anniversary of start-up of Sarkuysan plant at the Gebze Osman Hamdi Bey Concert Hall on 21st December 2013.
- Also the employees continue to attend the dance, folklore and Pilates classes.

Annual Operations 2013

Donations and Charity

During the year the total sum of donations and charity reached TL227.743. The most significant one was the contributions in the amount of TL68.603,00 made to Sarkuysan High School concerning conversion of the school into Anatolian High School. The donations in the amount of TL60.500,00 made to Sarkuysan Sports Club took the second place. Also TL38.406 was donated to Gebze Fatih State Hospital for the procurement of emergency medical equipment.



Donations and Charity made by our company in 2013 (TL)

Sarkuysan High School / Gebze	68.603,00
Sarkuysan Sports Club	60.500,00
Gebze Fatih State Hospital	38.406,50
Darica Farabi Hospital	20.088,00
Sarkuysan Primary School/Gebze	6.931,00
Sakarya University	5.002,02
Kasev Foundation Nursing Home	4.779,00
Gebze Autistic Children Educational Association	5.155,77
Turkish Educational Foundation	3.050,00
Darica Sports Club	2.500,00
Others	12.728,02
Total	227.743,31

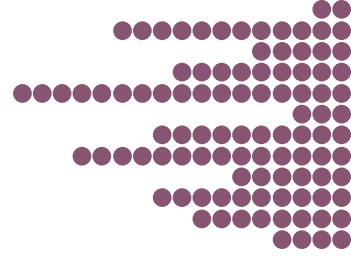
Support for education
and sport

Dear Shareholders,

To date, our company has contributed to several institutions and foundations through donations and charity thereby helping them to develop and gain strength. In line with the corporate management principles, we kindly present for your approval to determine the upper limit of donations and charity to be made in 2014 as TL300.000,00.

Yours sincerely,

Board of Directors



Targets Attained

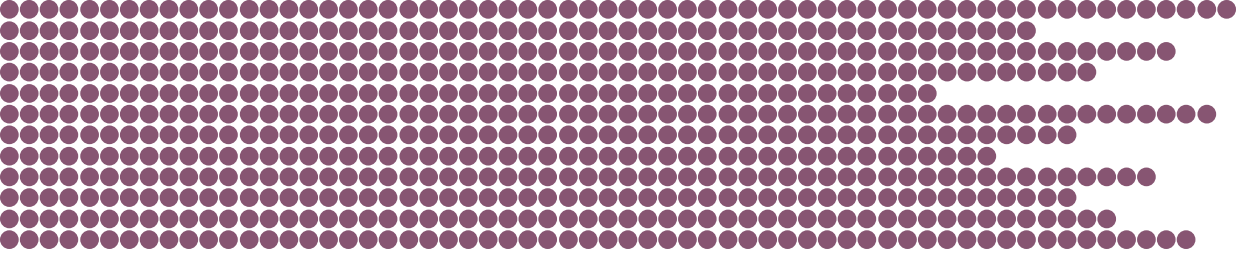
The company reached its targets concerning the export marketing and sales operations over the year 2013 by increasing its customer base through penetrating new geographic locations. Thanks to the customer policy the best service was supplied to the domestic market, as well.

Within the Research and Development activities, new projects were implemented in line with the modernization works at our facilities with a focus to broaden product range with high added value products.

Within the context of quality policy, training programs to enhance the man power and our employees' experience continued.


Targets successfully achieved





Internal Audit

The internal audit system of the company consists of job descriptions, authorization system, policies and written procedures which were determined according to the work flow and processes.

With the internal auditing the company aims to accomplish its objectives in terms of efficiency and effectiveness of operations, the reliability of financial reporting and compliance with laws and regulations.

Internal audit system regularly passes through periodic evaluation process, and effectiveness of the production operations are audited by the Quality Assurance Department.

Risks and Evaluation by the Board of Directors

All the strategic, operational, financial and other elements which may bring about risk preventing the company from achieving its short and long term targets are evaluated at every level of the organization starting with the Board of Directors.

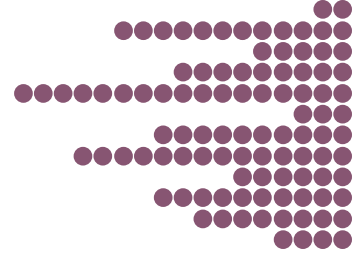
Early Detection of Risk Committee which was established to this end carries out its activities including the detection, evaluation, management and reporting of all the strategic, financial, operational risks which may affect the company to the Board of Directors. The committee also advises the Board about the measures to be taken during the decision making process.

Operational Risks: These are comprehensively evaluated to include the processes of raw material purchase, production, sales and after sales services.

Receivable Risk: The receivable risks of the company are reported by the Limit Determination Committee made up of senior officers in accordance with the procedures of Customer Limit Determination and the reported risks are checked, analyzed and ratified in compliance with the said procedures.

Concerning these risks, the company is covered by consolidated receivable insurance policies which protect the company by offsetting any damages arising in the event of occurrence of these risks.

In addition to the global policies, different security methods (mortgage and guarantee letters etc.) are applied.



Financial Risks: These are covered in three categories, namely Liquidity Risk, Interest Rate Risk and Exchange Rate Risks and managed in accordance with the following principles.

Liquidity Risk: Utmost care is given in order that the maturity dates of receivables and payables of the company are in harmony. Also efforts are made to maintain certain levels of liquidity ratios (such as current ratio and acid-test ratio) of the company to protect short-term liquidity position.

Interest Rate Risk: Adverse movements in interest rates may cause great risk in terms of likely financial results by their impact on interest sensitive assets and liabilities. This risk is managed by balancing and offsetting the amounts and maturities of the interest sensitive items.

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

Exchange Rate Risk: Due to the fact that the company operates in different geographical locations, operations are denominated in different currency units. For this reason exchange rate risk is one of the most important financial risks that the company is exposed to. The main principle in managing this risk is to offset foreign currency assets and liabilities in a way to reduce the exposure which may arise from exchange rate fluctuations to a minimum.

Also if required and depending on customer demand, financial derivative instruments are used.

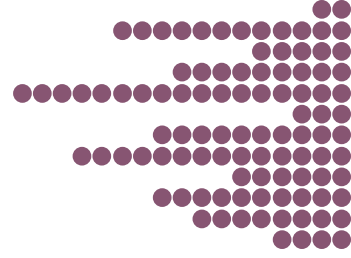
Profit Distribution Proposal

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ ve TİCARET A.Ş. PROFIT DISTRIBUTION STATEMENT FOR 2013

		ACCORDING TO CAPITAL MARKETS LEGISLATION	ACCORDING TO LEGAL RECORDS
1.	Paid-up Capital		100.000.000
2.	Total Reserves (According to legal records)		14.860.834
	Privileges with respect to profit distribution as per the Articles of Incorporation		None
3.	PROFIT FOR THE YEAR	27.727.978	63.079.286
4.	Taxes to be paid (-)	2.364.373	7.448.478
		<i>Corporation tax (-)</i>	<i>2.364.373</i>
		<i>Provision for deferred tax (+)</i>	<i>0</i>
5.	NET PROFIT FOR THE YEAR	25.363.605	55.630.808
6.	Loss from previous years (-)	0	0
7.	First legal reserves (-)	2.781.540	2.781.540
8.	75% of the Revenues from the sale of real estate		24.941.351
9.	NET DISTRIBUTABLE PROFIT FOR THE YEAR	22.582.065	27.907.917
10.	Donations (+)	227.743	
11.	Net distributable profit including donations as calculation basis for first dividends	22.809.808	
12.	First dividend to shareholders	1.140.490	
		<i>In cash</i>	<i>1.140.490</i>
		<i>Bonus share</i>	<i>0</i>
		<i>Total</i>	<i>1.140.490</i>
13.	Dividends to preferred shareholders	0	
14.	Other Distributable Profit Share	1.324.008	
	<i>- Profit Share to directors</i>	<i>1.324.008</i>	
15.	Dividends to bonus shareholders	0	
16.	Second dividend to shareholders	18.859.510	
		<i>In cash</i>	<i>18.859.510</i>
		<i>Bonus share</i>	<i>0</i>
		<i>Total</i>	<i>18.859.510</i>
17.	Second legal reserves (-)	1.632.401	
18.	Statutory reserves	0	0
19.	Special reserves	0	0
20.	EXTRAORDINARY RESERVES	0	4.951.508
21.	Other Distributable Funds	374.344	0
	- Profit from previous period	<i>0</i>	<i>0</i>
	- Extraordinary reserves	<i>0</i>	<i>0</i>
	- Other distributable reserves as per law and Articles of Incorporation	<i>0</i>	<i>0</i>

INFORMATION ON DIVIDEND PER SHARE

	GROUP	TOTAL DISTRIBUTABLE DIVIDEND		TOTAL DISTRIBUTABLE DIVIDEND/NET DISTRIBUTABLE PROFIT FOR THE YEAR	DIVIDEND PER SHARE OF TL1 PAR VALUE	
		CASH (TL)	BONUS SHARE (TL)		AMOUNT (TL)	RATE (%)
NET	A			0,85	0,17	17
	B			16.999.999,15	0,17	17
	TOTAL			17.000.000,00	0,17	17



Suitability Report on the Annual Report

To Board of Directors of

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi

- 1) As part of our audit, we have assessed whether the financial information and the assessment and explanations of the Board of Directors presented in the annual report of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi prepared as of December 31, 2013 are consistent with the audited financial statements as of the same date.
- 2) Group Management is responsible for the preparation of the annual report in accordance with "the Communiqué on Determining the Minimum Contents of Company Annual Reports"
- 3) Our responsibility is to express an opinion on whether the financial information provided in the annual report is consistent with the audited financial statements.
- 4) Our assessment is made in accordance with the principles and procedures for the preparation and issuance of annual reports in accordance with "Communiqué on the Principles of Financial Reporting in Capital Markets". Those principles and procedures require that an audit is planned and performed to obtain reasonable assurance whether the financial information provided in the annual report are free from material misstatement regarding the consistency of such information with the audited financial statements and the information obtained during the audit. We believe that the assessment we have made is sufficient and appropriate to provide a basis for our opinion.
- 5) Based on the results of our assessment, the financial information and the assessment and explanations of the Board of Directors, additionally, no significant matter has come to our attention that causes us to believe that the accompanying annual report of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi is not in compliance with the audited financial statements as of December 31, 2013.

ÇAĞDAŞ BAĞIMSIZ DENETİM S.M.M.M. A.Ş.

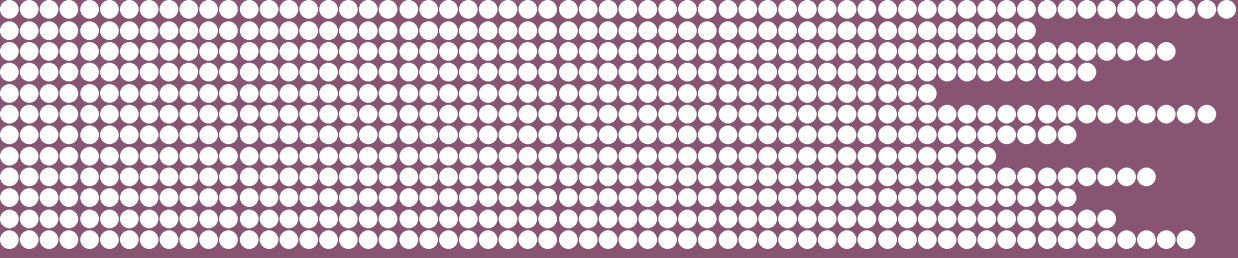
An Independent Member of IAPA International



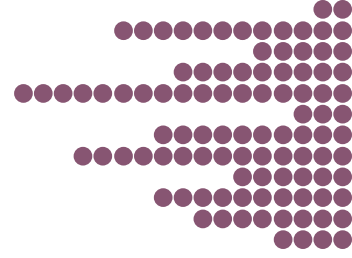
ÖZCAN AKSU

Certified Public Accountant

(Istanbul, March 3, 2014)



**Consolidated Financial Statements
Dated January 1, 2013 - December 31, 2013 and
Independent Auditor's Report**



Independent Auditor's Report

To Board of Directors of

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi

Introduction

- 1 We have audited the accompanying consolidated statement of financial position of **Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi** ("the Company") and its subsidiaries (collectively referred to as the "Group") as at December 31, 2013 and the related consolidated profit or loss statement, consolidated statement of other comprehensive income, consolidated statements of changes in equity and consolidated cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Group Management's Responsibility for the Financial Statements

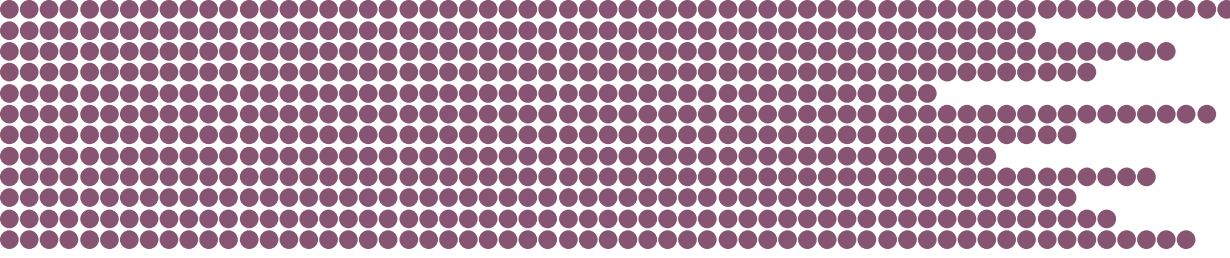
- 2) The Group's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines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

Independent Auditor's Responsibility

- 3) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards promulgated by Capital Markets Board of Turkey. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements provide a true and fair view of the Group. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Group Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 4) In our opinion, the accompanying financial statements present fairly the financial position of **Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi** as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards (**Note: 2**).



Reports on Independent Auditor's Responsibilities Arising from Other Regulatory Requirements

- 5) In accordance with article 402 of the Turkish Commercial Code ("TCC") no. 6102, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1- December 31, 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
- 6) Pursuant to article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to establish an expert committee, to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company, applying the necessary measures and remedies in this regard and managing the related risks. According to subparagraph 4 of the article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized the committee stipulated under article 378 to identify risks that threaten or may threaten the company and to provide risk management and if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the activities carried out by the management of the Company (Group) in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Company formed the mentioned committee on September 18, 2012 and it is comprised of three members. The Committee has met six times within 2013 for the purpose of early identification of risks that jeopardize the existence of the company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has submitted the relevant reports to the Board of Directors.

Other Matter

- 7) The consolidated financial statements of the Group as of December 31, 2012 were audited by another independent audit firm whose report dated April 11, 2013 expressed an unqualified opinion.

ÇAĞDAŞ BAĞIMSIZ DENETİM S.M.M.M. A.Ş.

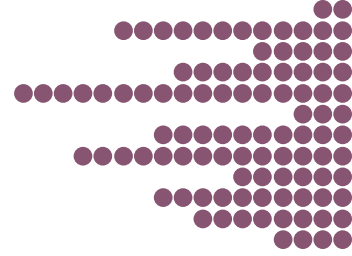
An Independent Member of IAPA International



ÖZCAN AKSU

Certified Public Accountant

(Istanbul, March 3, 2014)



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Financial Statements and Notes to the Consolidated Financial Statements as of December 31, 2013

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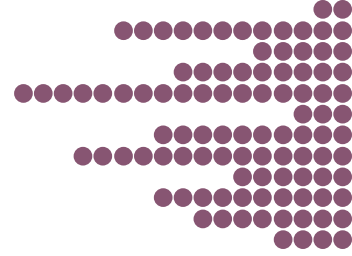
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Statement of Financial Position for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited Current Period December 31, 2013	Reclassified Audited Previous Period December 31, 2012
ASSETS			
Current Assets			
Cash and Cash Equivalents	Note: 6	34.246.530	49.927.919
Financial Investments	Note: 7	-	-
Trade Receivables	Note: 10	439.927.652	435.293.542
<i>Other Trade Receivables</i>	Note: 10	438.779.160	435.027.514
<i>Trade Receivables from Related Parties</i>	Note: 10, Note: 37	1.148.492	266.028
Other Receivables	Note: 11	38.791.872	32.963.011
<i>Other Receivables</i>	Note: 11	38.791.872	32.867.713
<i>Other Receivables from Related Parties</i>	Note: 11, Note: 37	-	95.298
Derivative Financial Instruments	Note: 14	183.816	712.924
Inventories	Note: 13	170.115.661	182.595.146
Prepaid Expenses	Note: 26	2.872.412	3.851.186
Current Tax Assets	Note: 35	169.482	1.443.913
Other Current Assets	Note: 26	992.670	13.211.593
Non-Current Assets			
Financial Investments	Note: 7	11.797	11.797
Due From Financial Sector Operations	Note: 12	-	-
Other Receivables	Note: 11	995.528	910.186
<i>Other Receivables</i>		995.528	910.186
<i>Other Receivables from Related Parties</i>		-	-
Derivative Financial Instruments	Note: 14	-	-
Investments Evaluated with Equity Method	Note: 16	30.352.459	29.847.342
Investment Properties	Note: 17	29.317.755	66.820.000
Tangible Assets	Note: 18	152.181.104	141.809.679
Intangible Assets		8.250.663	7.840.094
<i>Goodwill</i>	Note: 20	4.056.423	4.056.423
<i>Other Intangible Assets</i>	Note: 19	4.194.240	3.783.671
Prepaid Expenses	Note: 26	485.180	1.747.061
Deferred Tax Assets	Note: 35	3.546.119	137.489
TOTAL ASSETS		912.440.700	969.122.882

The accompanying notes are integral parts of financial statements.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Statement of Financial Position for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

		Audited Current Period December 31, 2013	Reclassified Audited Previous Period December 31, 2012
LIABILITIES	Notes		
Short-Term Liabilities		538.820.239	630.336.901
Short-Term Financial Liabilities	Note: 8	430.956.820	458.296.110
Short-Term Portion of Long-Term Financial Liabilities	Note: 8	970.737	1.407.318
Trade Payables	Note: 10	64.008.634	143.417.466
<i>Other Trade Payables</i>		64.008.634	143.417.466
<i>Trade Payables to Related Parties</i>		-	-
Employee Benefit Obligations	Note: 12	243.469	288.235
Other Payables	Note: 11	4.747.170	4.129.743
<i>Other Payables</i>	Note: 11	4.665.520	4.029.402
<i>Other Payables to Related Parties</i>	Note: 11, Note: 37	81.650	100.341
Derivative Financial Instruments	Note: 14	1.293.482	141.542
Deferred Income	Note: 26	34.261.429	17.772.829
Profit Tax Liabilities	Note: 35	963.567	2.298.933
Provisions	Note: 22	1.374.931	2.310.365
<i>Provisions for Employee Benefits</i>		689.461	1.092.212
<i>Other Provisions</i>		685.470	1.218.153
Other Current Liabilities	Note: 26	-	274.360
Long-Term Liabilities		44.988.037	19.641.737
Long-Term Payables	Note: 8	26.322.986	679.709
Long-Term Provisions		18.665.051	13.686.629
<i>Provisions for Employee Benefits</i>	Note: 24	18.665.051	13.686.629
<i>Other Long-Term Provisions</i>	Note: 22	-	-
Deferred Tax Liabilities	Note: 35	-	5.275.399
SHAREHOLDERS' EQUITY		328.632.424	319.144.244
Parent Company Shareholders' Equity	Note: 27	328.458.661	318.409.568
Paid-in Capital		100.000.000	100.000.000
Inflation Adjustment of Shareholders' Equity		51.466.039	51.466.039
Other Comprehensive income/expense not to be reclassified to profit or loss		9.765.329	36.754.096
- <i>Revaluation and gain/loss arising from Measurement</i>		9.537.655	36.754.096
- <i>Other gain/loss</i>		227.674	-
Other Comprehensive income/expense to be reclassified to profit or loss		6.006.787	679.788
- <i>Foreign Currency Translation Adjustments</i>		6.006.787	679.788
Restricted Profit Reserves		17.563.933	14.700.122
Retained Earning		117.757.642	81.421.715
Net Profit/Loss		25.898.931	33.387.808
Non-Controlling Interests	Note: 27	173.763	734.676
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		912.440.700	969.122.882

The accompanying notes are integral parts of financial statements.

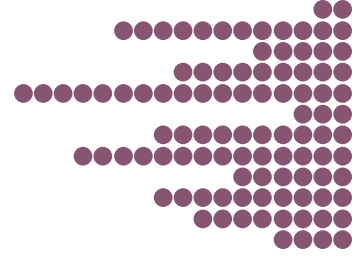
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Statement of Profit or Loss for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited January 1 - December 31, 2013	Reclassified Audited January 1 - December 31, 2012
PROFIT OR LOSS			
Revenue	Note: 5, Note: 28	2.411.857.861	2.366.690.290
Cost of Sales (-)	Note: 5, Note: 28	(2.307.658.735)	(2.300.812.926)
GROSS PROFIT		104.199.126	65.877.364
Marketing, Selling and Distribution Expenses (-)	Note: 29	(22.737.997)	(17.608.716)
General Administration Expenses (-)	Note: 29	(21.494.550)	(20.172.230)
Research and Development Expenses (-)	Note: 29	(371.053)	(643.972)
Other Operating Income	Note: 31	126.193.470	67.274.338
Other Operating Expenses (-)	Note: 31	(42.631.519)	(45.426.281)
OPERATION PROFIT/(LOSS)		143.157.477	49.300.503
Income from Investment Activities	Note: 32	1.036.258	9.721.517
Loss from Investment Activities (-)	Note: 32	-	(983.100)
The Profit/(Loss) of Investments Evaluated According to Equity Method	Note: 16	277.443	(2.078.036)
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSE		144.471.178	55.960.884
Financial Income	Note: 33	28.439.361	66.676.212
Financial Expense (-)	Note: 33	(145.182.561)	(79.966.624)
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX		27.727.978	42.670.472
Continuing Operations Tax Profit/(Loss)	Note: 35	(2.364.373)	(9.323.992)
- Current Period Tax Income/(Expense)		(10.484.096)	(8.148.251)
- Deferred Tax Income/(Expense)		8.119.723	(1.175.741)
CONTINUING OPERATIONS PERIOD PROFIT/ (LOSS)		25.363.605	33.346.480
DISCONTINUED OPERATIONS		-	-
Discontinued Operations Profit/(Loss) After Tax		-	-
PERIOD PROFIT/(LOSS)		25.363.605	33.346.480
Distribution of Period Profit/(Loss)		25.363.605	33.346.480
Non-Controlling Interests		(535.326)	(41.328)
Parent Company		25.898.931	33.387.808
Net Earnings Per Share	Note: 36	0,00259	0,00334

The accompanying notes are integral parts of financial statements.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Statement of other Comprehensive Income for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited January 1 - December 31, 2013	Reclassified Audited January 1 - December 31, 2012
PROFIT/(LOSS) FOR THE PERIOD		25.363.605	33.346.480
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit or loss in subsequent periods		(2.078.255)	-
Actuarial loss arising from defined benefit plans	Note: 24	(2.869.719)	-
Deferred Tax Effect	Note: 24	564.306	-
Part of Other Comprehensive Income From Partnership Evaluated by Equity Method	Note: 16	227.158	-
Deferred Tax Effect		-	-
Items to be reclassified to profit or loss in subsequent periods		5.319.516	(246.406)
Changes in Foreign Currency Translation Adjustment	Note: 27	5.319.516	(246.406)
OTHER COMPREHENSIVE INCOME		3.241.261	(246.406)
TOTAL COMPREHENSIVE INCOME		28.604.866	33.100.074
Distribution of Comprehensive Income		28.604.866	33.100.074
Non-Controlling Interests		(547.326)	(41.328)
Parent Company		29.152.192	33.141.402

The accompanying notes are integral parts of financial statements.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

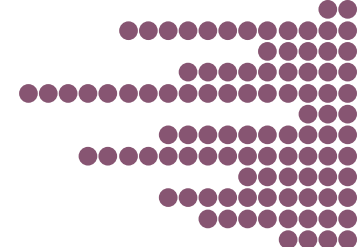
Consolidated Statement of Changes in Shareholder's Equity for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

(Reclassified) Audited	Notes	Paid-in Capital	Adjustment to share capital	Other Comprehensive Income/(Expense) not to be Reclassified to Profit or Loss	
				Revaluation and Gain/Loss Arising from Measurement	Other Gain/Loss
JANUARY 1, 2012		50.000.000	62.162.278	36.754.096	-
Transfers	Note: 27	-	-	-	-
Dividend	Note: 27	-	-	-	-
Capital Increase	Note: 27	50.000.000	(10.696.239)	-	-
Incurred from merging with Bemka	Note: 27	-	-	-	-
Total Comprehensive Income	Note: 27	-	-	-	-
- Net Current Period Profit		-	-	-	-
- Foreign Currency Translation Adjustments		-	-	-	-
DECEMBER 31, 2012		100.000.000	51.466.039	36.754.096	-

Audited	Notes	Paid-in Capital	Adjustment to share capital	Other Comprehensive Income/(Expense) not to be Reclassified to Profit or Loss	
				Revaluation and Gain/Loss Arising from Measurement	Other Gain/Loss
JANUARY 1, 2013		100.000.000	51.466.039	36.754.096	-
Transfers	Note: 27	-	-	-	-
Dividend	Note: 27	-	-	-	-
Capital Increase	Note: 27	-	-	-	-
Transfer to Retained Earnings due to Tangible Assets Disposal	Note: 27	-	-	(24.915.030)	-
Other Changes Increase/Decrease	Note: 27	-	-	-	-
Total Comprehensive Income	Note: 27	-	-	(2.301.411)	227.674
- Net Current Period Profit		-	-	-	-
- Foreign Currency Translation Adjustments		-	-	-	-
- Share in Profit/(Loss) of Investments Evaluated by Equity Method		-	-	-	227.674
- Actuarial Gain/Loss from Defined Pension Plans		-	-	(2.301.411)	-
DECEMBER 31, 2013		100.000.000	51.466.039	9.537.655	227.674

The accompanying notes are integral parts of financial statements.



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

Accumulated Profit

Foreign Currency Translation Adjustments	Other Gain/Loss	Restricted Reserves	Previous Years Profit/Loss	Net Current Year Profit/Loss	Parent Company Equity	Non-Controlling Interests	Shareholder's Equity
926.194		13.988.391	95.708.286	30.290.181	289.829.426	149.717	289.979.143
-	-	711.731	29.578.450	(30.290.181)	-	-	-
-	-	-	(4.561.260)	-	(4.561.260)	(21.580)	(4.582.840)
-	-	-	(39.303.761)	-	-	-	-
-	-	-	-	-	-	647.867	647.867
(246.406)	-	-	-	33.387.808	33.141.402	(41.328)	33.100.074
-	-	-	-	33.387.808	33.387.808	(41.328)	33.346.480
(246.406)	-	-	-	-	(246.406)	-	(246.406)
679.788	-	14.700.122	81.421.715	33.387.808	318.409.568	734.676	319.144.244

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

Accumulated Profit

Foreign Currency Translation Adjustments	Other Gain/Loss	Restricted Reserves	Previous Years Profit/Loss	Net Current Year Profit/Loss	Parent Company Equity	Non-Controlling Interests	Shareholder's Equity
679.788		14.700.122	81.421.715	33.387.808	318.409.568	734.676	319.144.244
-	-	2.863.811	30.523.997	(33.387.808)	-	-	-
-	-	-	(19.103.100)	-	(19.103.100)	(13.586)	(19.116.686)
-	-	-	-	-	-	-	-
-	-	-	24.915.030	-	-	-	-
-	-	-	-	-	-	-	-
5.326.999	-	-	-	25.898.931	29.152.193	(547.327)	28.604.866
-	-	-	-	25.898.931	25.898.931	(535.326)	25.363.605
5.326.999	-	-	-	-	5.326.999	(7.483)	5.319.516
-	-	-	-	-	227.674	(516)	227.158
-	-	-	-	-	(2.301.411)	(4.002)	(2.305.413)
6.006.787	-	17.563.933	117.757.642	25.898.931	328.458.661	173.763	328.632.424

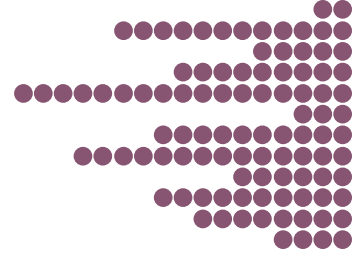
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Statement of Cash Flows for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited	Reclassified Audited
		January 1-December 31, 2013	January 1-December 31, 2012
A) CASH FLOW FROM OPERATIONS			
Net Profit/(Loss)	Note: 36	25.363.605	33.346.480
Adjustments:			
Depreciation and Amortization (+)	Note: 18, Note: 19	16.130.324	12.141.553
Change in Provision for Termination Indemnities (+)	Note: 24	3.214.479	4.007.157
Rediscount on Receivables (+), (-)	Note: 10	568.673	(80.992)
Negative Goodwill Income	Note: 31	-	(7.561.221)
Provision for Doubtful Receivables (+)	Note: 10, Note: 26, Note: 31	3.307.782	2.502.849
Other Provisions (+), (-)	Note: 22	(935.434)	874.466
Terminated Provisions for Doubtful Receivables (-)	Note: 10, Note: 26, Note: 31	(586.104)	(30.836)
Change in Derivative Instruments Income/Expense Net	Note: 33	15.294.023	(5.380.963)
Interest Income (-)	Note: 33	(3.142.622)	(1.466.900)
Interest Expense (+)	Note: 33	29.594.229	28.453.341
Unrealized Foreign Exchange Differences		7.664.286	(14.406.188)
Tax (Income)/Expense	Note: 35	2.364.373	9.323.992
Provision for Impairment of Tangible Assets	Note: 18	-	(983.100)
Share in Profit/(Loss) of Investments Evaluated by Equity Method	Note: 16	(277.443)	2.078.036
Provision for Decrease in Value of Inventories (+)	Note: 13	(1.733)	5.105
Rediscount on Notes Payable (-)	Note: 10	(410.225)	233.762
Changes in Revaluation of Investment	Note: 17	(6.960.000)	(6.775.000)
Gain/Loss of Fixed Assets	Note: 32	(958.464)	(2.160.296)
Operational Income before Changes in Working Capital (+)		90.229.749	54.121.245
Increase in Trade Receivables/Other Receivables (-)	Note: 10, Note: 11	(13.838.664)	(48.876.894)
Decrease/Increase in Inventories (+), (-)	Note: 13	12.481.218	(78.067.298)
Changes in Trade and Other Payables	Note: 10, Note: 11	(78.381.180)	(18.663.439)
Deferred Income increase (-)/decrease (+)	Note: 26	16.488.601	11.853.618
Deferred VAT	Note: 26	9.157.349	(9.262.307)
Other Increase and Decrease in Working Capital (+)/(-)		7.448.244	(1.124.492)
Taxes Paid	Note: 35	(11.988.944)	(5.957.864)
Termination Indemnity Paid	Note: 24	(1.105.776)	(874.285)
Net Cash Inflow Provided/(Used) From Operating Activities:		30.490.597	(96.851.716)
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of Financial Assets Net (-)	Note: 3	-	2.793.108
Acquisitions of Tangible Assets and Investment Property (-)	Note: 17, Note: 18, Note: 19	(23.314.903)	(74.505.021)
Tangible Assets Disposals (+)	Note: 18, Note: 19	1.621.065	2.481.375
Investment Property Disposals (+)	Note: 17	44.500.000	-
Net Cash Provided/(Used) From Investment Activities:		22.806.162	(69.230.538)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Credit Received	Note: 8	767.467.047	665.563.193
Credit Paid	Note: 8	(786.985.745)	(485.308.330)
Payments/Collections in Other Financial Liabilities and Derivative Instruments	Note: 33, Note: 14	(13.612.975)	1.229.842
Payment of Principal in Financial Lease Liabilities	Note: 8	(1.116.290)	2.087.027
Payment of Interest (Net)	Note: 33	(22.603.381)	(19.207.197)
Dividend Paid (-)	Note: 27	(19.116.685)	(4.561.260)
Net Cash Related to Financial Activities		(75.968.029)	159.803.275
Net Decrease/Increase in Cash and Cash Equivalents Before Currency Translation Differences		7.002.144	(2.516.618)
Net Changes in Cash and Cash Equivalents		(15.669.126)	(8.795.597)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	Note: 6	49.892.792	58.688.389
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	Note: 6	34.223.666	49.892.792

The accompanying notes are integral parts of financial statements.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 1 ORGANIZATION AND BUSINESS SEGMENT

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

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

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

The subsidiaries and affiliates of the company as of December 31, 2013 are as follows:

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

The average number of the personnel is 942. (December 31, 2012: 904)

	December 31, 2013	December 31, 2012
Unionized employees	456	426
Non-unionized employees	109	107
White-collar employees	377	371
Total	942	904

These consolidated financial statements were approved to be published at a meeting of the Board of Directors, dated March 3, 2014 and was signed by the Chairman of the Board of Directors Hayrettin Çaycı, Accounting Manager Emine Gündag on behalf of the Board. The General Assembly has the authority to amend the financial statements.

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basic Principles for Presentation

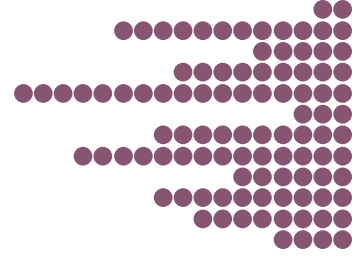
The Group maintains its books of account and legal financial statements in accordance with Turkish Commercial Code and accounting principles determined in tax legislations. Subsidiaries operating in foreign countries prepare accounting records and statutory financial statements according to currencies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

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

Financial Statements of the Subsidiaries which operate in Other Countries:

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

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

2.02 Dealing with the Inflation Effects in Hyper-Inflationary Periods

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

2.03 Basis of Consolidation

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

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

The proportion of ownership interest and effective interest of the Group in these Joint Ventures as of December 31, 2013 and December 31, 2012 are as follows;

December 31, 2013

Subsidiaries Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Sarmakina San. ve Tic. A.Ş.	99,00%	-	99,00%
Sarda Dağ. ve Tic. A.Ş.	99,97%	-	99,97%
Bektaş Emaye Kablo San. Tic. A.Ş.	70,71%	29,11%	99,82%
Sark-USA, Inc.	100,00%	-	100,00%
Ege Free Zone Branch	100,00%	-	100,00%
Sark Wire Corp.	60,00%	39,83%	99,83%
Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	57,30%	36,87%	94,17%

December 31, 2012

Subsidiaries Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Sarmakina San. ve Tic. A.Ş.	99,00%	-	99,00%
Sarda Dağ. ve Tic. A.Ş.	99,97%	-	99,97%
Bektaş Emaye Kablo San. Tic. A.Ş.	70,71%	29,11%	99,82%
Sark-USA, Inc.	100,00%	-	100,00%
Ege Free Zone Branch	100,00%	-	100,00%
Sark Wire Corp.	60,00%	39,83%	99,83%
Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	57,30%	36,87%	94,17%

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

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

The table below indicates all affiliates and the total interest of the Group in these affiliates as of December 31, 2013 and December 31, 2012;

December 31, 2013

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

December 31, 2012

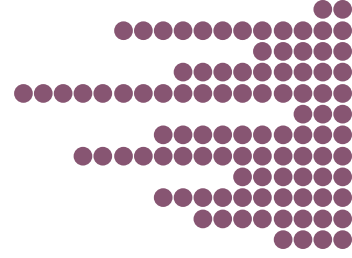
Subsidiary Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Demisaş Döküm Emaye Mam. San. A.Ş.	44,44%	-	44,44%

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

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

Merger of Bemka A.Ş., which was accounted for by the equity method as of December 31, 2011 was completed as of July 31, 2012. Following the completion of acquisition transactions, Bemka A.Ş. is being reported as a participation.

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

2.04 Comparative Information and Adjustment of the Previous Consolidated Financial Statements

Consolidated financial statements of the Group have been prepared in comparison with the previous period in order to give information about financial position and performance. In order to maintain consistency with current year's consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary. In the current year, the Group has made several reclassifications in the previous year consolidated financial statements in order to maintain consistency with current year's consolidated financial statements.

Based on the decision taken on 7 June 2013 by the CMB at its meeting numbered 20/670, a new illustrative financial statement and guidance to it has been issued effective from the interim periods ended after 31 March 2013, which is applicable for the companies that are subject to the Communiqué on the Principles of Financial Reporting in Capital Markets. Based on these new illustrative financial statements, a number of changes made at the Group's consolidated financial statements.

Based on the new illustrative statement which was published, significant classifications in the previous year consolidated financial statements have been indicated in following paragraphs;

Reclassifications in the Statement of Financial Position as of 31 December 2012

- "Prepaid Expenses for Following Months, Advances Given and Work Advances Given" items which were disclosed under Other Current Assets were disclosed as "Prepaid Expenses" by TL 3.851.186 separately under Current Assets.
- "Prepaid Expenses for Following Years" items which were disclosed under Other Non-Current Assets were disclosed as "Prepaid Expenses" by TL 55.190 separately under Current Assets.
- "Advance Tax Return" amounting to TL 1.443.913 which was disclosed under Other Current Assets was reclassified and disclosed as "Current Income Tax Assets" under Current Assets.
- "Income Accruals" amounting to TL 1.571.962 which was disclosed under Other Current Assets was reclassified and disclosed as "Trade Receivables" under Current Assets.
- "Advances Given" amounting to TL 1.691.871 which was disclosed under Other Current Assets was reclassified and disclosed as "Prepaid Expenses" under Non-Current Assets.
- "Advances Taken and Short Term Deferred Income" amounting to TL 17.772.829 which was disclosed under Other Short Term Liabilities was reclassified and disclosed as "Deferred Income" under Short Term Liabilities.
- "Expense Accruals" amounting to TL 3.950.527 which was disclosed under Short Term Liabilities was reclassified and disclosed as "Trade Payables" under Short Term Liabilities.
- "Due to Personnel" amounting to TL 288.235 which was disclosed under Other Payables was reclassified and disclosed as "Payables related to Employee Benefit Obligations" under Short Term Liabilities.
- "Provisions for Employee Termination Benefits" amounting to TL 13.686.629 which was disclosed under Long Term Liabilities was reported and disclosed as "Provisions for Employee Benefit Obligations" under Long Term Liabilities.
- "Investment Property Revaluation Fund" amounting to TL 36.032.215 and "Fixed Assets Revaluation Fund" amounting to TL 721.881 which were disclosed under Shareholders' Equity were reported and disclosed as "Other Comprehensive income/(expense) not to be reclassified to profit or loss)" under Shareholders' Equity
- "Due to Factoring Service" amounting to TL 49.488.894 which was disclosed under Short Term Liabilities was off-set as "Trade Receivables" under Current Assets.
- Most of the account groups presented in the statement of financial position include information of balances of related parties and other provisions separately as sub-accounts.
- Balances of Provisions for Short and Long Term Provisions in the statement of financial position were disclosed with sub-accounts to reflect Provisions for Employee Benefit Obligations and Other Provisions separately.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Statement of Profit and Loss and Other Comprehensive Income as of December 31, 2012

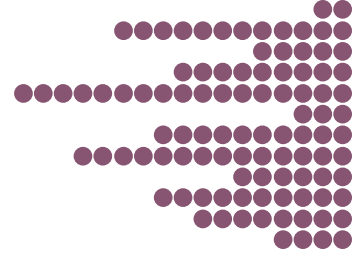
- Some of the account names which were presented under Statement of Profit or Loss and Other Comprehensive Income were changed and some new account groups and subtotals were included. Additionally, in line with the amendment to TAS 1, grouping of items presented under other comprehensive income statement was changed; thus, items which can be classified under statement of profit or loss in the forthcoming periods and items which cannot be classified under statement of profit or loss in the forthcoming periods were reported separately. These amendments were implemented retroactively.
- "Gain on Sales of Fixed Assets and Negative Goodwill Income" amounting to TL 2.160.296 and 7.561.221 which were disclosed under Other Income was reclassified and reported under Income from Investment Activities.
- "Provision for Impairment of Tangible Assets" amounting to TL 983.100 which was disclosed under Other Expense was reclassified and reported under Expense from Investment Activities.
- "The Shares of Profit/(Loss) of Investments Evaluated According to Equity Method" amounting to (TL 2.078.036) which was reported under Income/Expense from Investment Activities.
- "Interest Eliminated from Sales" amounting to TL 8.200.348, "Delay Interest Income" amounting to TL 7.267.082 and "Rediscount Income" amounting to TL 2.327.310 which were disclosed under Financial Income were reclassified and reported under Other Operating Income.
- "Foreign Exchange Gain" amounting to TL 30.830.852, which was disclosed under Financial Income was reclassified and reported under Other Operating Income. "Foreign Exchange Loss" amounting to TL 34.851.843, which was disclosed under Financial Expense was reclassified and reported under Other Operating Expense.
- "Interest Eliminated from Purchases" amounting to TL 2.132.082, "Rediscount Expense" amounting to TL 2.386.950 and "Delayed Interest" amounting to TL 247.048 which were disclosed under Financial Expense were reclassified and reported under Other Operating Expense.

2.05 Significant Accounting Considerations, Predictions and Assumptions

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

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

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

e) The impairment for the trade receivables is determined using the credibility of debtors, past payment performances and restructuring terms in case of restructuring. (Note: 10)

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

g) The Group has opted for using the revaluation model for Investment Properties in the accompanying consolidated financial statements.

h) The Group had calculated deferred tax in accordance with IFRS and reflected to the consolidated financial statements. The Group management believes that the carried accumulated financial losses in the amount of TL 12.555.432 cannot be utilized in the following 5 years. (Note: 35)

2.06 Changes in Accounting Policies

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

TAS 19 ("Employee Benefits") In accordance with the revised standard, actuarial gain/loss related to employee benefits which were stated in profit or loss in the previous periods were recognized in other comprehensive income. The Group management considered that, including the tax effect, the change in the accounting policy on the financial statements prepared as of December 31, 2012 is insignificant and it is not necessary to restate the previous year's financial statements.

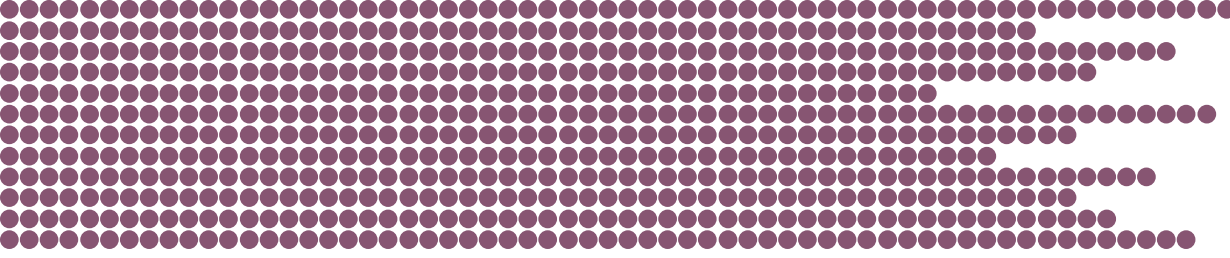
2.07 Changes in Accounting Estimates and Errors

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

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

2.08 Offsetting

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

2.09 Summary of Significant Accounting Policies

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

2.09.01 Revenue Recognition

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

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

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

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

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

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

Interest Income, on the basis of effective interest method,

Rent and Royalty Income, on accrual basis in accordance with the substance of the relevant agreement,

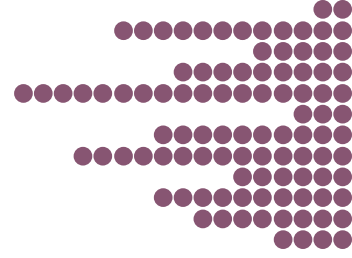
Dividend Income, when the shareholder's right to receive payment is established

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

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

2.09.02 Inventories

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

2.09.03 Tangible Fixed Assets

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

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

TYPE	Economic Life (Year)	Depreciation Rates as of December 31, 2013 (%)	Depreciation Rates as of December 31, 2012 (%)
Land Improvements	25	4	4
Buildings	50	2	2
Machinery, Plant, and Equipment	12,5	8	8
Furniture and Fixtures	5	20	20
Vehicles	5	20	20
Other Tangible Assets	5	20	20
Leasehold improvements	5	20	20
Acquisition of Leased Assets	8-10	10-12,5	10-12,5

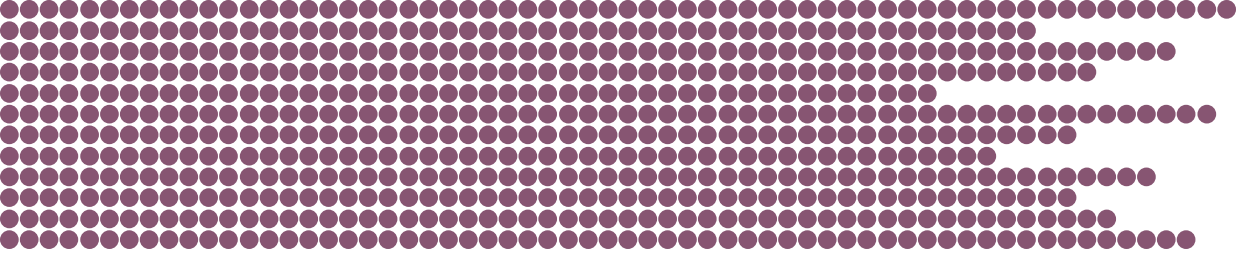
The expected useful lives, residual values and the depreciation method are reviewed annually for the probable effects of changes that occur in estimates. If there are any changes regarding the estimates, their effects are recognized retroactively.

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

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

2.09.04 Intangible Assets

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

TYPE	Economic Life (Year)	Depreciation Rates as of December 31, 2013 (%)	Depreciation Rates as of December 31, 2012 (%)
Rights	5	20	20
Development Cost	5	20	20
Other Intangible Assets	3 - 10	10 - 33	10 - 33

2.09.05 Impairment of Assets

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

2.09.06 Leasing Operations

i) Financial Leasing

None.

ii) Operational Leasing

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

The Group as Lessee:

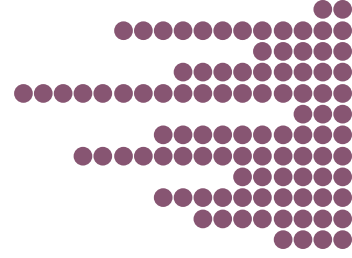
The lease payments are recognised as an expense in the income statement over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern of the user's benefit.

The total rent expense paid in the current period is TL 321.083 (December 31, 2012: TL 189.126)

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

The Group as Lessor:

Rents received for an operational leasing are recognised over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. The total rent income by December 31, 2013 is TL 630.720 (December 31, 2012: TL 3.352.946). TL 400.633 of this amount consists of the rent income from investment properties.(December 31, 2012: TL 2.638.421) The Group presents the rent income derived from investment properties in sales. The remaining amount, TL 230.087 (December 31, 2012: TL 714.525), is recognised as Other Operations Income. The transactions between parent company and subsidiaries are eliminated reciprocally within the scope of consolidation. (Note: 31)



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

2.09.07 Research and Development Costs

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

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

The cost of R&D projects, which fulfill the criteria mentioned above, are capitalized by linear depreciation method. The total amount which the Group capitalized during 2013 is TL 789.795 (December 31, 2012: TL 498.475)

2.09.08 Borrowing Costs

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

2.09.09 Financial Instruments

I. Financial Assets

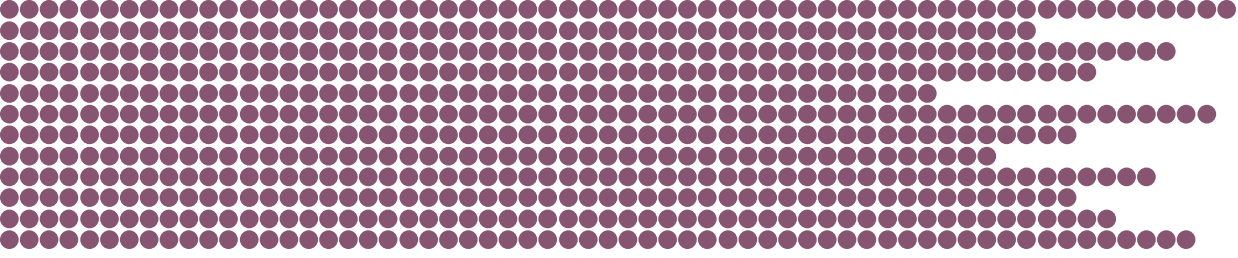
Investments are recognized and derecognized on trade date where the purchase or sale of an investment is under a contract, whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value, net of transaction costs except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

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

Prevailing Interest Method

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

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



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

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

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

b) Financial Assets Which Will Be Held to the Maturity

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

c) Financial Assets Available-For-Sale

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

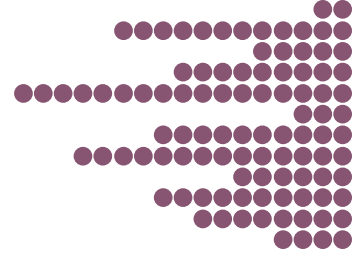
d) Loans and Receivables

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

Impairment of Financial Assets

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

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



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

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

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

Cash and Cash Equivalents

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

II. Financial Liabilities

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

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

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

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

b) Other Financial Liabilities

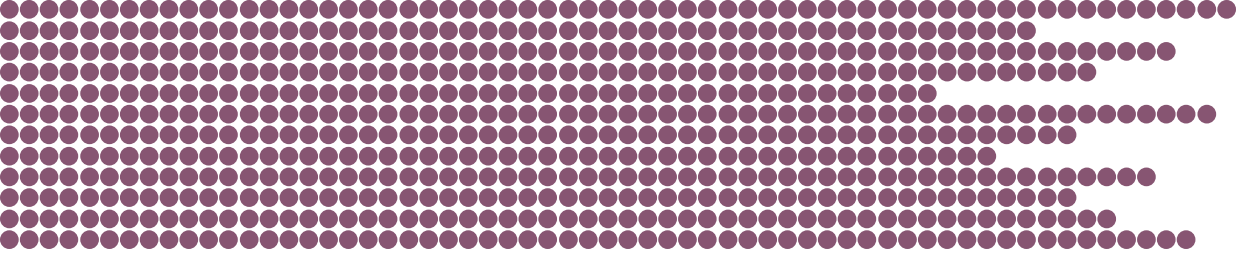
Other financial liabilities are initially measured at fair value, net of transaction costs.

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

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

III. Derivative Financial Instruments

Derivative financial instruments are initially recorded with their fair value and evaluated with fair value in next periods.



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

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

2.09.10 Effects of Currency Fluctuations

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

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

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

2.09.11 Earnings per Share

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

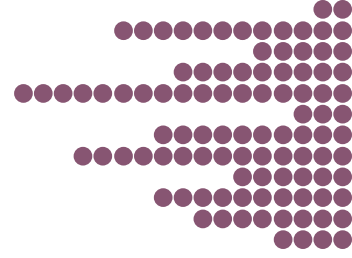
In Turkey, companies are allowed to increase their share capital by distributing "bonus shares" from retained earnings. These bonus shares are deemed as issued shares while calculating the net earnings per share.

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

2.09.12 Subsequent Events

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

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

2.09.13 Provisions, Contingent Liabilities & Assets

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

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

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

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

2.09.14 Related Party Disclosures

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

2.09.15 Government Grants and Aids

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

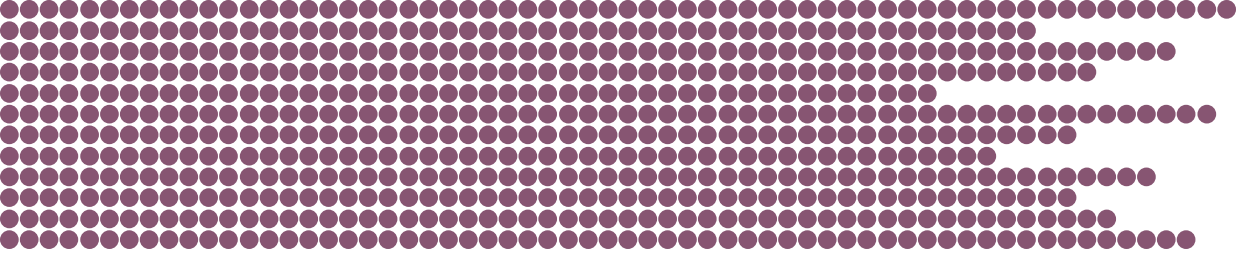
2.09.16 Taxation and Deferred Tax

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

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

Current tax

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



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Deferred tax

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

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

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

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

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

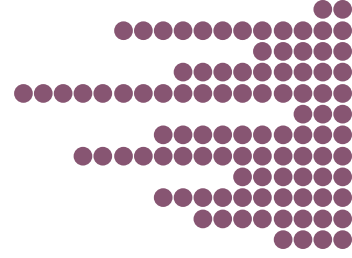
Current and deferred tax for the period

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

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

Offsetting Tax Income and Liabilities

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



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2.09.17 Retirement Pay

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

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

2.09.18 Cash Flow Statement

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

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

Cash flow concerned with financial activities represents sources used from financial activities and repayment of these funds.

2.09.19 Investment Property

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

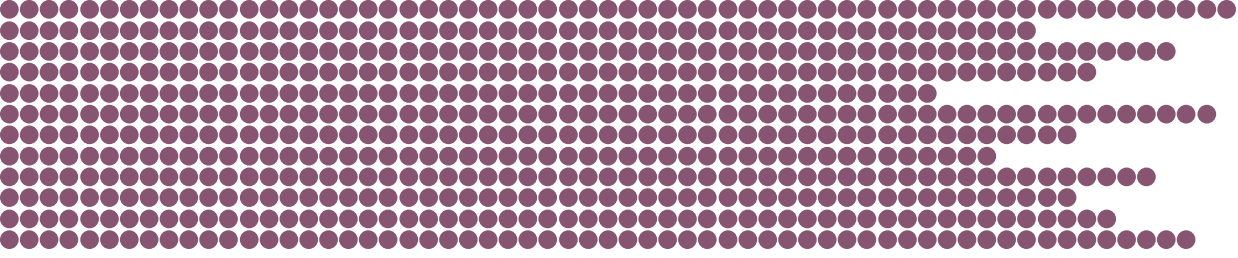
Investment properties are taken out of the statement of financial position when either they are sold or no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of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

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

The fair values of the real estates were determined according to the results of the appraisal reports signed by a licensed Real Estate Appraisal Company in line with the regulations of the CMB Communiqué Serial VIII No: 35 "Communiqué On Principles Regarding Appraisal Companies And Their Listings By The Board" (Note 17)

2.10 Capital and Dividends

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



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

2.11 Goodwill

When the acquisition amount of a subsidiary/participation exceeds the share in the fair value of the net identifiable assets of the acquired subsidiary/participation, this amount is recognized as goodwill. Goodwill is reviewed annually for any impairment and measured in the financial statements at cost value less any accumulated impairments. The goodwill is allocated per cash generating unit for the impairment analysis. The allocation is made to the cash generating units or unit groups which are expected to provide benefits as a result of the business combination that creates the goodwill. The impairment for goodwill cannot be annulled. (Note: 20)

2.12 Foreign Currency Transactions

Functional Currency

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

Group Companies Abroad, Foreign Currency Transactions and Balances

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

The financial statements of Group's subsidiaries operating in the United States of America are converted from foreign currency into TL as of December 31, 2013 and December 31, 2012 the foreign currencies and TL equivalents are as follows:

Period-End

December 31, 2013	2,1343
December 31, 2012	1,7826

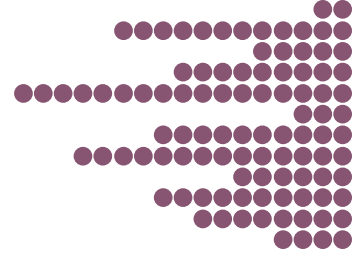
As of December 31, 2013 and December 31, 2012 the foreign average currencies and TL equivalents are as follows:

Average Rate

January 1, 2013 - December 31, 2013	1,9013
January 1, 2012 - December 31, 2012	1,7922

2.13 Going Concern Concept

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



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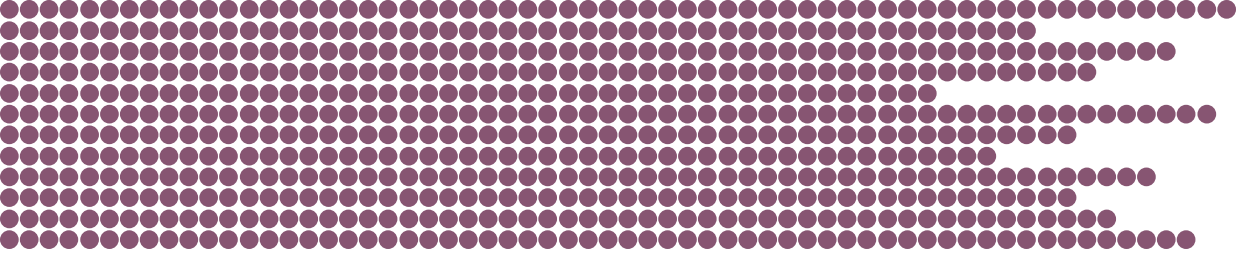
Notes to the Consolidated Financial Statements as of December 31, 2013

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

2.14 New and Revised International Financial Reporting Standards

i) Amendments and interpretations that are not effective or an early adoption is not used by the Group as of January 1, 2013 are as follows;

- IFRS 1 (Changes) "The First-Time Adoption of IFRS" (It will be valid on the date 1 January 2013 or next financial year.) Committed changes include the drawing related to the recognition of government loans, which is used by the first-time IFRS performing companies and the interest rate of these is lower than market interest rate.
- IFRS 7 (Changes) "Financial Instruments: Disclosures" (The amendment is effective for annual periods beginning on or after January 1, 2013). Explanations related with the examination of the off-statement of financial position transactions have been made. Regulations have been made to allow the users of financial information to improve their understanding of comparable financial statements as reported under IFRS and other standards.
- IFRS 10 "Consolidated Financial Statements" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis) The standard replaces the IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated.
- IFRS 11 "Joint Arrangements:" (Standard is effective for annual periods beginning on or after January 1, 2013 and is applied on a modified retrospective basis. This new standard may be early adopted, requiring that IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities are also adopted early.) The standard is with regard to the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted to account for joint ventures.
- IFRS 12 "Disclosure of Interests in Other Entities" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis. This new Standard may be adopted early, requiring that IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements are also adopted early.) Footnote disclosures related with the affiliates have been determined. This standard has not yet been endorsed by the EU.
- IFRS 13 "Disclosure of Interests in Other Entities" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) Advance level of explanations has been made related with the consolidated and separate financial statements in which Company has a participating interest.
- IAS 1 (Amendment) "Presentation of Financial Statements:" (Standard is effective for annual periods beginning on or after July 1, 2012) The amendments to IAS 1 change only the grouping of items presented in other comprehensive income.
- IAS 19 (Changes) "Employee Benefits" (It will be valid on the date 1 January 2013 or next financial year and it will be applied retrospectively.) The disclosures related to adoption were extended and corridor method on the seniority indemnity was abolished with this change. Also changes include the provisions related to be calculated financial expenses on the basis of net funding and to make discrimination between short- and long term not according to the principle of personal demand but according to estimated payment date.
- IAS 27 (Amendment) "Separate Financial Statements" As a consequence of IFRS 10 some amendments have been made. IAS 27 only consists of accounting for subsidiaries, jointly controlled entities and affiliates in separate financial statements.
- IAS 28 (Amendment) "Investments in Associates and Joint Ventures:" As a consequence of IFRS 11 some amendments have been made. With this amendment IAS 28 consists of associates and joint ventures. After amendment IAS 28 only consists of accounting of subsidiaries, joint ventures and affiliates separate financial statements.



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Notes to the Consolidated Financial Statements as of December 31, 2013

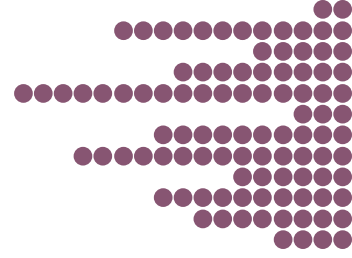
(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

- IFR IC 20 "Cost of Production Development Excavation on Surface Mining Enterprises" (It will be valid on the date 1 January 2013 or used prematurely because of entering into force in the next financial years.) Companies should apply these liabilities on excavation expenses since the beginning of the period of presented comparatively stage of production.
- POA 2013-2 (Resolution) "Accounting of Combinations under Common Control" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) In accordance with the resolution it has been decided that combination of entities under common control should be recognized using the pooling of interest method and thus, goodwill should not be included in the financial statements. While using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred.
- POA 2013-3 (Resolution) "Accounting of Redeemed Share Certificates" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments.
- POA 2013-4 (Resolution) "Accounting of Cross Shareholding Investments" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) If a subsidiary of a parent entity holds shares of the parent, then this is defined as cross shareholding investment and accounting of this cross investment is assessed based on the type and different recognition principles adopted. With the subject resolution, this topic has been explained and the recognition principles have been determined for each of them.
- These standards, accounting policies and resolutions which have been effectuated in the current period, have not had an impact on the financial statements of the Group, except below explanations.
- Presentation of Other Comprehensive Income Items in IAS 1 the amendment mentioned includes the differences between the various other item groups reported in the statement of profit or loss. This amendment effects only the presentation of other comprehensive income items in the forthcoming statement of profit or loss with or without reclassification. These amendments are implemented retroactively.
- TAS 19 ("Employee Benefits") In accordance with the revised standard, actuarial gain/loss related to employee benefits shall be recognized in other comprehensive income. The Group used to consider the impact of financial statements actuarial gain/loss related to employee benefits in profit or loss as of December 31, 2012. The Group Management didn't apply the reclassification by the reason of insignificant effect of after tax.

ii) Amendments and interpretations that are not effective or an early adoption is not used by the Group as of December 31, 2013 are as follows:

- IFRS 9 "Financial Instruments" (The new standard is effective for annual periods beginning on or after January 1, 2015. Early adoption is permitted.) This standard requires that the financial assets must be classified based on the characteristics of cash-flows based on the models and agreements which are used to manage the financial assets and also standard requires that financial assets must be evaluated with their fair value or their amortized costs. This standard has not yet been endorsed by the EU.
- IAS 32 (Changes) "Financial Instruments: Presentation" (It will be valid on the date 1 January 2014 or next financial years and it will be applied retrospectively.) Implementation guidance in standard was updated with this change. With this update it was aimed to conclude the application about the net financial assets and liabilities in the financial statement.

The effects of application of the mentioned standards to the financial statements which will be prepared in the future are evaluated. The Group management believes that the standards and interpretations stated in the above paragraphs will not have a significant impact on the Group's financial statements.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 3 BUSINESS COMBINATIONS

There is no Business Combination in accordance with the Standard in 2013. Business Combinations transactions according to standards are determined below in the period January 1, 2012 - December 31, 2012

If an investment fulfills the requirements of the definition of a participation, the investment is accounted for in accordance with IFRS 3 Business Combinations. The difference between the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and acquisition price in favor of the acquisition price is recognized as goodwill. When the acquisition price is lower than the fair value of acquired identifiable assets, liabilities and contingent liabilities, the difference is stated in the statement of profit or loss. Goodwill recognized in a business combination is not amortized, however at least once a year, or more frequently if circumstances indicate any impairment, is reviewed for impairment. When the acquirer's interest in fair value of acquired identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the difference is recognized as income. Acquired company's operations are included in the consolidated statement of profit or loss starting with the date of acquisition.

Accounted for by the equity method as of December 31, 2011, 77.19% of Bemka A.Ş. shares were acquired by the Group for TL 2.793.108. Merger of Bemka A.Ş. was completed as of July 31, 2012. Following the completion of acquisition transactions, Bemka A.Ş. is being reported as a participation. Negative goodwill arising from the purchase transaction, amounting to TL 7.561.221 on 31 December 2012 was recorded in Other Operating Income. **(Note: 31)** (Participation rate of 16.98% as of December 31, 2011)

Starting from the date of acquisition, operating results of Bemka A.Ş., which was reported as a participation as of July 31, 2012, were reflected in the consolidated financial statements. Operating results before the date of acquisition are recognized in retained earnings/losses. Fair values of the transferred assets (the net assets acquired) as of acquisition-date are as follows:

Total Acquisition Amount	2.793.108
Net Assets Acquired (Fair Value)	10.995.113
Participation Rate Acquired	% 94,1721
Main partnership share in acquired net assets (Fair Value)	10.354.329
- Share in equity Before Acquisition	1.866.970
- Acquired Shares	8.487.359
Negative Goodwill	7.561.221

NOTE 4 BUSINESS PARTNERSHIPS

None.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 5 SEGMENT REPORTING

The group's operating segments based on profit/loss summary are as follows:

December 31, 2013

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

December 31, 2012

	Copper	Enameled Copper Wire	CTC Wire	Roller	Machine	Other	Total	Adjustment of Consolidation and Elimination	January 1, 2012 December 31, 2012
Sales	2.872.013.472	52.458.525	9.956.038	1.852.643	1.067.665	2.805.612	2.940.153.955	(573.463.665)	2.366.690.290
Cost of Sales	(2.802.937.354)	(52.536.727)	(8.426.433)	(1.422.587)	(549.319)	(1.534.882)	(2.867.407.302)	566.594.376	(2.300.812.926)
Gross Profit/ Loss	69.076.118	(78.202)	1.529.605	430.056	518.346	1.270.730	72.746.653	(6.869.289)	65.877.364

NOTE 6 CASH AND CASH EQUIVALENTS

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

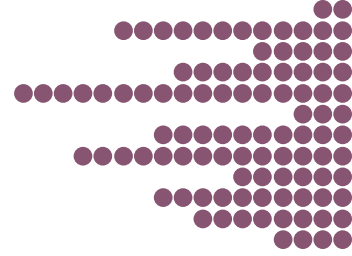
Account Name	December 31, 2013	December 31, 2012
Cash	15.073	22.221
Bank	34.231.127	49.905.698
- Demand Deposits	24.208.263	40.343.712
- Time Deposits	10.022.864	9.561.986
Other	330	-
Total	34.246.530	49.927.919

There is no blocked deposit as of December 31, 2013 and December 31, 2012.

Interest income of TL 22.864 is accrued as of December 31, 2013. (December 31, 2012: 35.127 TL)

Cash and cash equivalents presented in the statement of cash flows as of December 31, 2013 and December 31, 2012 are as follows;

Account Name	December 31, 2013	December 31, 2012
Amount Stated in the Statement of Financial Position	34.246.530	49.927.919
Accrued Interest Income	(22.864)	(35.127)
Blocked Deposits	-	-
Total	34.223.666	49.892.792



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Maturity analysis of bank deposits are as follows:

Account Name	December 31, 2013	December 31, 2012
Demand Deposits	24.208.263	40.343.712
1-30 days	10.022.864	7.555.463
30-90 days	-	2.006.523
Total	34.231.127	49.905.698

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

Currency	December 31, 2013		December 31, 2012	
	Amount	Interest rate	Amount	Interest rate
TL	10.022.864	6,71%- 9,74%	8.735.122	5% - 8,30%
USD	-	-	200.001	0,25%
EURO	-	-	200.001	0,15%

NOTE 7 FINANCIAL INVESTMENTS

I) Short Term Financial Investments

None.

II) Long Term Financial Investments

The Group's financial investments consisting of investments which are classified as Financial Assets available for sale for the period by December 31, 2013 and December 31, 2012 are as follows.

December 31, 2013

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

December 31, 2012

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

Movement of Long-Term Securities is as follows:

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

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

NOTE 8 FINANCIAL LIABILITIES

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

Account Name	December 31, 2013	December 31, 2012
Bank Loans	430.956.820	458.296.110
Lease Obligations	1.005.950	1.531.218
Deferred Leasing Costs (-)	(35.213)	(123.900)
Total	431.927.557	459.703.428

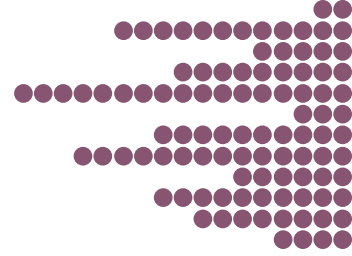
Bank loans are reflected in accompanying financial statements with their amortized cost amounts. The provision for credit interest calculated by effective interest method is TL 3.633.611 as of December 31, 2013. (December 31, 2012: TL 7.814.371).

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

Account Name	December 31, 2013	December 31, 2012
Bank Loans	26.322.986	-
Lease Obligations	-	706.768
Deferred Leasing Costs (-)	-	(27.059)
Total	26.322.986	679.709

a) The maturities of bank loans are as follows:

Loans	December 31, 2013	December 31, 2012
0-3 months	199.762.636	190.743.337
3-12 months	231.194.184	267.552.773
12-36 months	26.322.986	-
Total	457.279.806	458.296.110



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Finance Lease Payables	December 31, 2013	December 31, 2012
0-3 months	376.774	681.465
3-12 months	629.176	849.753
12-36 months	-	706.768
Total	1.005.950	2.237.986

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

December 31, 2013

Loans

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

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

Finance Lease Payables

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

December 31, 2012

Loans

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
TL Loans	-	78.538.128	8,75%-12,81%
USD Loans	192.789.088	343.665.830	1,11%-7,00%
EURO Loans	15.347.260	36.092.152	5,90%-6,20%
Total (Short-Term)		458.296.110	

Finance Lease Payables

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
EURO Payables	887.454	2.087.027	6%-10%
Total		2.087.027	

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 9 OTHER FINANCIAL LIABILITIES

None.

NOTE 10 TRADE RECEIVABLES AND PAYABLES

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

Account Name	December 31, 2013	December 31, 2012
Trade Receivables	339.228.762	327.900.625
- Trade Receivables from Related Parties	1.148.492	266.028
- Doubtful Receivables from Related Parties	79.606	79.606
- Provision For Doubtful Receivables from Related Parties	(79.606)	(79.606)
- Other	338.080.270	327.634.597
Notes Receivables	103.293.482	109.418.836
Discount on Notes Receivables (-)	(2.594.592)	(2.025.919)
Doubtful Receivables	10.032.082	7.310.404
Provision for Doubtful Receivables (-)	(10.032.082)	(7.310.404)
Total	439.927.652	435.293.542

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

The weighted term of receivables are 65 days (December 31, 2012: 60 days). 90% of the receivables related with sales to domestic and foreign markets are guaranteed by Exim Bank. The guarantee letters, guarantee notes and guarantee checks which are related to domestic sales are disclosed in **Note 22** and the level of risks for trade receivables are disclosed in **Note 38**.

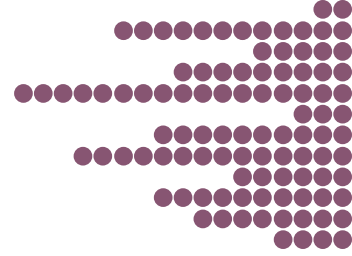
The provisions are reflected to the financial statements related to all of the receivables for which there is objective evidence indicating that they are no longer collectible. The provision amount for the current period is TL 2.728.037 (**Note: 31**) (December 31, 2012: TL 2.207.464)

Receivables are recognized by amortized cost amounts. The discount rates are 10% for TL receivables, 0,58310% for USD receivables, 0,51886% for Euro receivables and 0,91125% for GBP receivables. (December 31, 2012: TL: 6%, Euro: 0,44%, USD: 0,8425%, GBP: 1,013%)

Doubtful Receivables are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Opening Balance	(7.310.404)	(3.831.452)
Incurred from Merger (Note: 3)	-	(1.306.867)
The Amount Collected During the Period (-)	586.104	30.836
Exchange Rate	(579.745)	4.543
Period Expense	(2.728.037)	(2.207.464)
Closing Balance	(10.032.082)	(7.310.404)

The group has no Long-term Trade Receivables.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

Account Name	December 31, 2013	December 31, 2012
Trade Payables	61.887.104	75.409.355
Notes Payable ^(*)	699.596	64.386.833
Rediscount on Notes Payable (-)	(768.131)	(357.906)
Expense Accruals ^(**)	2.126.410	3.950.527
Other Trade Payables	63.655	28.657
Total	64.008.634	143.417.466

^(*)As of December 31, 2013, notes payable consist of other notes payable. As of December 31, 2012, notes payable to Codelco are 28.432.607 USD which is equivalent to 50.683.966 TL and remaining 85.435 TL consists of other notes payable. As of December 31, 2012, notes payable to Kazakhmys worth 7.639.085 USD which amount to TL 13.617.432 and in the current period there is no notes payable given to the Kazakhmys.

^(**)TL 615.327 (December 31, 2012: TL 399.273) of the Expense Accruals related with the provision for Commission of Foreign Sales, TL 1.067.150 (December 31, 2012: None) is related to provision of derivatives and the part that amounts to TL 443.933 (December 31, 2012: TL 986.433) is related for other expense accruals. In the current period there is no currency and interest loss belonging to Codelco which is the one of the group's suppliers. TL 2.564.821 of the Expense Accruals related with the foreign currency loss belongs to Codelco which is the one of the group's suppliers as of December 31, 2012.

Payables are recognized by amortized cost amounts. The discount rates are 10% for TL receivables and 0,58310% for USD receivables. (December 31, 2012: TL: 6%, USD: 0,8425%)

Average maturity of purchases of the Group from its suppliers is 16 days. (December 31, 2012: 24 days)

The Group has no Long-term Trade Payables.

NOTE 11 OTHER RECEIVABLES AND PAYABLES

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

Account Name	December 31, 2013	December 31, 2012
Deposits and Guarantees Given	39.345	144.888
Receivables from Tax Administration ^(*)	38.567.736	32.302.215
Receivables from Personnel	109.868	73.000
Other	74.923	347.610
Non-trade Receivables From Related Parties	-	95.298
Total	38.791.872	32.963.011

^(*) Receivables from Tax Administration as TL 38.567.736 (December 31, 2012: TL 32.302.215) consist of VAT returns. The Group collects all of its VAT returns by the reports of SCPAs.

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

Account Name	December 31, 2013	December 31, 2012
Deposits and Guarantees Given	995.528	910.186
Total	995.528	910.186

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

Account Name	December 31, 2013	December 31, 2012
Other Payables	1.299.971	1.575.537
- Non-trade Payables to Related Parties	81.650	100.341
- Other	1.218.321	1.475.196
Deposits and Guarantees Taken	12.139	12.585
Taxes and Funds Payable	2.012.958	1.441.184
Social Security Premiums Payable	1.422.102	1.100.437
Total	4.747.170	4.129.743

The Group has no other Long-Term Payables.

NOTE 12 PAYABLES RELATED TO EMPLOYEE BENEFITS

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

Account Name	December 31, 2013	December 31, 2012
Due to Personnel	243.469	288.235
Total	243.469	288.235

NOTE 13 INVENTORIES

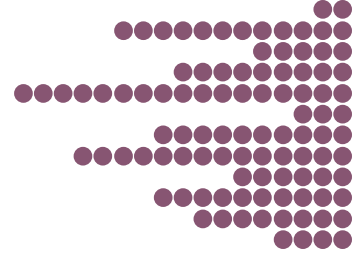
Inventory balances for periods ended are as follows:

Account Name	December 31, 2013	December 31, 2012
Raw Materials	32.269.954	15.512.157
Semi-finished Goods	1.225.622	12.043.810
Finished Goods	118.695.632	107.141.361
Commercial Goods	1.018.433	239.249
Other Inventories	16.965.163	47.719.445
Provisions for Impairment of Inventories (-)	(59.143)	(60.876)
Total	170.115.661	182.595.146

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

The inventories with an undefined sale price and a lower predictable net realizable value compared with their cost amounts, have provisions for the decrease in value of inventories in accordance with the information received from the technical staff related with the waiting period and the physical situation of the inventories.

	December 31, 2013	December 31, 2012
Cost Value	59.143	60.876
Provisions for Impairment of Inventories (-)	(59.143)	(60.876)
Those taking part with cost value	170.115.661	182.595.146
Total Inventories	170.115.661	182.595.146



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Movement of Provision for Decrease in Value of Inventories is as follows;

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Opening Balance	(60.876)	(55.771)
Provision for the Current Period (-)	-	(5.105)
Provisions no longer required	1.733	-
Total	(59.143)	(60.876)

NOTE 14 DERIVATIVE INSTRUMENTS

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

Derivative Contracts:

The Group has derivative contracts in order to eliminate the currency risks that arise from export sales with the usage of Euro and the protection against currency risks related with raw material procurement through the usage of USD. Derivative financial instruments are a financial contract between two parties and its payments vary in a specified interest rate, commodity price, foreign exchange rate, index of rates. Derivative Financial Instruments contains foreign currency forward and selling, swap and options contracts.

December 31, 2013

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

As of December 31, 2013 the Group has stock swap options with maturities, which are hedged with USD 3.980.850 USD sold. As of December 31, 2013, Group has assets amounting to TL 183.816 in accordance with these contracts.

December 31, 2012

As of December 31, 2012 the Group has foreign currency swap options with maturities, for which a total of USD 9.066.060 is hedged with EURO 6.000.000 and GBP 600.000 sold. The Group has liabilities amounting to TL 141.542 in accordance with these contracts.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

	December 31, 2013		December 31, 2012	
	Asset	Liability	Asset	Liability
Forward Contracts	-	1.293.482	-	141.542
Commodity Swaps as Hedge Instruments	183.816	-	712.924	-
Total	183.816	1.293.482	712.924	141.542

NOTE 15 CONSTRUCTION CONTRACTS IN PROGRESS

None.

NOTE 16 INVESTMENTS EVALUATED BY EQUITY METHOD

December 31, 2013

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

December 31, 2012

Corporation Name	Participation Ratio	Provision for Impairment	December 31, 2012 Statement of Financial Position Net Value
Demisaş	44,44	-	29.847.342
Total		-	29.847.342

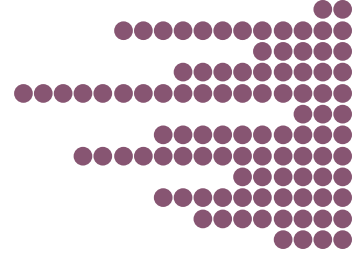
Fair Value Movement Schedule of investments evaluated by Equity Method is as follows:

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Opening Balance - January 1	29.847.342	31.925.378
Share from Current Period Profit	277.443	(2.078.036)
Share from Other Comprehensive Income ^(*)	227.674	-
Closing Balance - December 31	30.352.459	29.847.342

^(*)The Group's share from Actuarial gain/loss related to Provisions for Employee Termination Benefits which are recognized as Other Comprehensive Income under Shareholders' Equity.

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

	December 31, 2013	December 31, 2012
Total Assets	144.039.993	122.215.867
Shareholders' Equity	70.152.358	67.163.231
Net Sales	152.503.990	139.215.695



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 17 INVESTMENT PROPERTY

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

The Group measures the investment properties at fair value in the financial statements. There are no borrowing costs allocated to investment properties within the scope of IAS 23. As of December 31, 2013 and December 31, 2012 the tangible assets at fair values are as follows.

December 31, 2013

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

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

Transfer to Retained Earnings	26.226.346
Effect of Tax (-)	(1.311.316)
Net	24.915.030

December 31, 2012

Asset Value	Opening Balance January 1, 2012	Fair Value Difference	Additions	Disposals (-)	Closing Balance December 31, 2012
Land and Properties	9.595.000	260.000	-	-	9.855.000
Lands	9.595.000	260.000	-	-	9.855.000
Buildings	50.450.000	6.515.000	-	-	56.965.000
Sarkuysan Ak Trade Center	40.050.000	4.450.000	-	-	44.500.000
Gebze Warehouse	3.535.000	1.610.000	-	-	5.145.000
Pendik Plants	6.865.000	455.000	-	-	7.320.000
Total	60.045.000	6.775.000	-	-	66.820.000

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

December 31, 2013

TYPE	Fair Value	Difference in Fair Value	Increase in Value Reflected to Equity	Deferred Tax Effect	Net Difference Reflected to Equity		Value Increase Fund Reflected to Statement of Profit or Loss	
					Previous Period	Current Period	Previous Period	Current Period
Buildings	14.072.755	12.660.766	6.489.956	324.498	6.165.457	-	6.515.000	1.570.000
Lands	15.245.000	12.342.950	5.212.345	260.617	4.951.728	-	260.000	5.390.000
Total	29.317.755	25.003.716	11.702.301	585.115	11.117.185	-	6.775.000	6.960.000

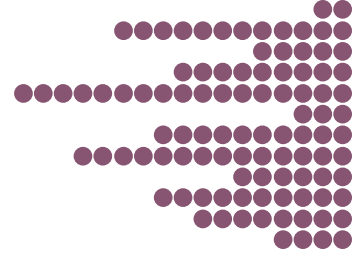
Fair value difference amounting to TL 6.960.000 which was reflected to the statement of profit or loss (December 31, 2012: TL 6.775.000)

The fair market value of lands and buildings which are among the investment property are based on the expertise reports written on February 7,10 and 11, 2014 by Elit Gayrimenkul Değerleme A.Ş. Sarkuysan Ak Business Center which is included among investment properties is sold on 04.02.2013.

December 31, 2012

TYPE	Fair Value	Difference in Fair Value	Increase in Value Reflected to Equity	Deferred Tax Effect	Net Difference Reflected to Equity		Value Increase Fund Reflected to Statement of Profit or Loss	
					Previous Period	Current Period	Previous Period	Current Period
Buildings	50.450.000	39.961.821	32.716.300	1.635.814	31.080.486	-	7.245.521	-
Lands	9.595.000	6.692.950	5.212.345	260.617	4.951.728	-	1.480.605	-
Total	60.045.000	46.654.771	37.928.645	1.896.431	36.032.214	-	8.726.126	-

The valuation of the property which is among the investment properties belonging to the firm are Sarkuysan Ak İş Merkezi, Depot (Gebze) and properties in Pendik (Kocaeli - Darıca-Gebze). The fair market values of these properties are based on the expertise report written on 09.04.2012 by Elit Gayrimenkul Değerleme A.Ş.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

The Investment Properties of the Group as of December 31, 2013 and December 31, 2012 are listed as follows:

December 31, 2013

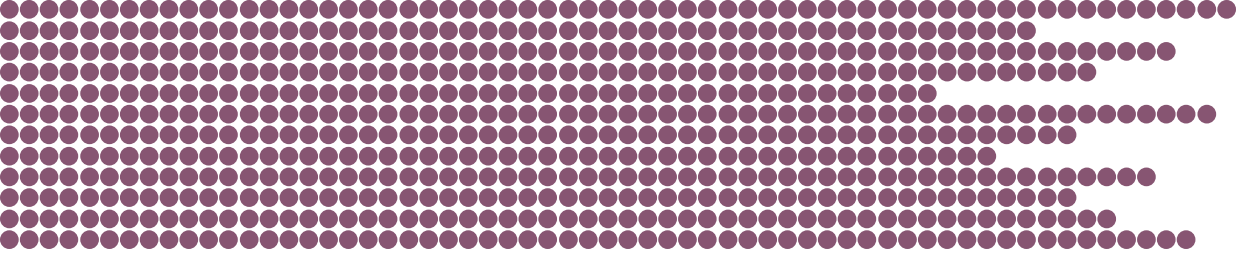
City	District	Village	Deed (m ²)	Receiving Date
Kocaeli (a)	Gebze	Sırasöğütler	8.198,54	30.06.2000
İstanbul (b)	Pendik	Ortamahalle	5.833,04	10.06.1990
Kocaeli (c)	Darica	Darica 2	16.111	15.03.2004
Kocaeli (d)	Darica	Darica 2	4.248	06.08.2004
Kocaeli (d)	Darica	Darica 2	1.515	31.08.2009
Kocaeli (e)	Darica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

December 31, 2012

City	District	Village	Deed (m ²)	Receiving Date
İstanbul	Üsküdar	-	9.314	31.12.2005
Kocaeli	Gebze	Sırasöğütler	4.801	30.06.2000
İstanbul	Pendik	Ortamahalle	4.983,5	10.06.1990
Kocaeli	Darica	Darica 2	16.111	15.03.2004
Kocaeli	Darica	Darica 2	4.248	06.08.2004
Kocaeli	Darica	Darica 2	1.515	31.08.2009
Kocaeli	Darica	Tepecik Village	7.050	28.07.1998
Kocaeli	Darica	Tepecik Village	14.800	28.07.1998
Kocaeli	Gebze	Duraklı Village	23.888	09.07.1997
Kocaeli	Gebze	Duraklı Village	7.360	09.07.1997
Kocaeli	Gebze	Duraklı Village	8.620	09.07.1997

Lands:

a) As of the report date, there is an easement right of TEDAŞ for the part of 1.980 m² of the land and factory building which is parcel of land numbered 14, placed in 5739 block in Istasyon Street, Gebze - Kocaeli with an area of 8.198,54 m². During the investigation of the Gebze Municipality's Development Directorate, it was informed that the facility is located on a parcel consisting part of trading area and part of road zone (230 m²) which is affirmed that applied construction plan placed on D100 road Gebze,1/1000 plot affirmation dated May 16,2013. Part of Road zone is assumed that must be ceded on the project stage. During the investigation of the valuation, 7.968,54 m² which is taken into consideration after ceded net surface area. The evaluation was made based on the report numbered 2014/809 and dated February 11,2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with cost value method and the value of the immovable is TL 6.050.000.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

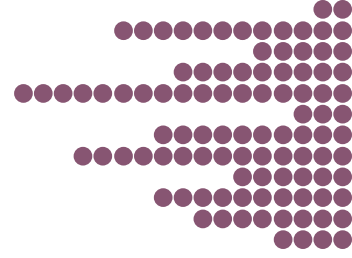
(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

b) As of the report date, there is no mortgage, levy or annotation on the facilities located in Ortamahalle District, Cemal Gürsel Street, No: 1, Pendik - İstanbul. (8627 block, 3 and 4 parcels). The area of the Facilities is 5.833,04 m² and the 811,50 m² of the facilities is owned by İstanbul Municipality and 150 m² of the facilities is rented to Sarda Dağ. Ve Tic. A.Ş. During the investigation of the Pendik directorate of land registry, it was informed that there are no changes in property right for parcel of land numbered 4 at least for 3 years. The share of 903/2400, parcel of land numbered 2 was owned by İstanbul Municipality whose property right is taken over by Pendik Municipality. The evaluation was made based on the report numbered 2014/811 and dated February 10, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method and the value of the immovable is TL 7.895.000.

c) As of the report date, there is an easement right of TEK for the part of 240 m² of the land which is located in 30K-3B plot, 1365 block in Darıca 2 Village, Darıca - Kocaeli with an area of 16.111 m². There is no mortgage, levy or annotation on the land apart from the above mentioned situation. During the investigation of the Darıca Municipality's Development directorate, it was informed that the immovable are located on a parcel consisting part of trading area and part of road zone (1580 m²) which is affirmed that applied construction plan placed on D100 road Gebze, 1/1000 plot affirmation dated May 16, 2013. Part of Road zone is assumed that must be ceded on the project stage. During the investigation of the valuation, 14.531 m² which is taken into consideration after ceded net surface area. The immovable subject to valuation are empty lots as of report date. The evaluation was made based on the report numbered 2014/813 and dated February 11, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method and the value of the immovable is TL 11.600.000. There is an architectural project dated August 5, 2008 for the facilities which were planned to be constructed on this Land. In regard to this plan there are 2 construction permits numbered 360 and dated December 25, 2008 also 2 renovation permits numbered 23 and dated February, 2013. (Construction Area is 13.087 m²). The company has started part of basement and warehouse. The construction and the immovable subject to valuation are empty lots as of the report date.

d) Parcel of land numbered 2 with an area of 1.515 m² and parcel of land numbered 3 with an area of 4.248 m² in Darıca 2 Village which are converted into parcel of land numbered 5 by the Darıca Municipality's Committee decision issued at July 10, 2012 with the decree no of 759. As of the report date, there is no mortgage, levy or annotation on the lands. During the investigation of the Darıca Municipality's Development Directorate, it was informed that the immovable are located on a parcel consisting part of trading area and part of road zone (407 m²) which is affirmed that applied construction plan placed on D100 road Gebze, 1/1000 plot affirmation dated May 16, 2013. Part of Road zone is assumed that must be ceded on the project stage. During the investigation of the valuation 5.356 m² which is taken into consideration after ceded net surface area. The immovable subject to valuation are empty lots as of the report date. The evaluation was made based on the report numbered 2014/812 and dated February 11, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method and the value of immovable is TL 3.000.000.

e) As of the report date, there is an enclosure within the borders of forest for the part 117,616 m² and 533,211 m² of the total 14.800 m² of the land which is located on a parcel of land numbered 18, A.13.A plot and 7.050 m² of the land which is placed on a parcel of land numbered 17, A.13.A plot in Tepecik Village, Darıca Province - Kocaeli City. The part with areas of 14.682,38 m² and 6.516,78 m² are based on for the determination of fair value. There is no mortgage, levy or annotation on the land apart from the above mentioned situation. The immovable subject to valuation are empty lots as of the report date. During the investigation of the Dilovası's Development Directorate, it was informed that the immovable are shown as "part of forest and other agricultural areas" in 1/25.000 scale Darıca Municipality's regulatory revised plan which is approved by Committee decision issued at December 16, 2008 with the decree no of 669. Moreover, immovable are located in "İSKİ Long Distance Protected Area". The evaluation was made based on the report numbered 2014/814 and dated February 10, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method and the value of immovable is TL 700.000.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

f) As of the report date, the Group owns the land which are located on a parcel of land numbered 1128, 7 plot with the 23.888 m², located on a parcel of land numbered 1135, 7 plot with the 7.360 m², located on a parcel of land numbered 1155, 8 plot with the 8.620 m², in Duraklı Village, Gebze Province - Kocaeli City. As of the report date, 3.583,20 m² of the land belongs to Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. There is no mortgage, levy or annotation on the land. The immovable subject to valuation are empty lots as of the report date. During the investigation of the Gebze Municipality's Development Directorate, it was informed that the immovable are shown as "other agricultural areas" in 1/25.000 scale Darıca Municipality's regulatory revised plan which is approved by Committee decision issued at August 18, 2008 with the decree no of 403. Moreover, immovable are located in "İSKİ Long Distance Protected Area". The evaluation was made based on the report numbered 2014/815 and dated February 7, 2014 by Elit Gayrimenkul Değerleme A.Ş. in accordance with peer assessment method and the value of immovable is TL 385.000.

g) According to the report which the information has been received from Real Estate Agencies, related to fair value is amounting about TL 40.000 flat that belongs to Subsidiary Bemka A.Ş and its asset with the 39 m², in Darıca Street, Darıca Province - Kocaeli City.

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

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

NOTE 18 TANGIBLE ASSETS

Tangible assets for the periods ended are as follows:

December 31, 2013

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

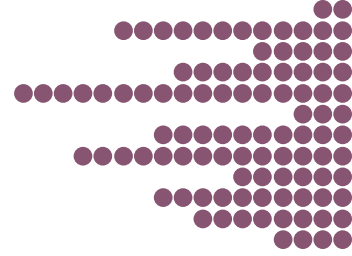
(The amounts are stated as Turkish Lira ("TL") unless otherwise indicated.)

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

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

December 31, 2012

Cost	January 1, 2012 Opening Balance	Incurring from Merger with Bemka	Impairments	Additions	Disposals (-)	Transfers	December 31, 2012 Closing Balance
Land	3.952.577	8.950.536	(550.536)	-	-	-	12.352.577
Land Improvements	2.248.344	-	-	-	(12.592)	61.253	2.297.005
Buildings	37.561.704	7.922.331	(432.564)	381.844	(19.000)	79.084	45.493.399
Machinery, Plants and Equipment	251.320.223	60.966.643	-	2.234.087	(7.484.245)	2.664.463	309.701.171
Vehicles	4.606.707	673.582	-	14.577	(63.908)	-	5.230.958
Furniture and Fixtures	4.417.044	4.478.309	-	227.493	(240.514)	-	8.882.332
Other Fixed Assets	12.822.352	-	-	69.522	(206.775)	7.707	12.692.806
Constructions in Progress	3.776.028	36.534	-	2.806.867	(4.585)	(2.821.056)	3.793.788
Leasehold Improvements	439.573	959.463	-	-	-	8.549	1.407.585
Acquired Assets Under Finance Leases	-	24.405.050	-	-	-	-	24.405.050
Total	321.144.552	108.392.448	(983.100)	5.734.390	(8.031.619)	-	426.256.671



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Accumulated Depreciation	January 1, 2012 Opening Balance	Incurred from Merger with Bemka	Period Depreciation	Disposals	December 31, 2012 Closing Balance
Land Improvements	(1.195.716)	-	(67.073)	7.723	(1.255.066)
Buildings	(13.634.090)	(889.767)	(777.515)	-	(15.301.372)
Machinery, Plants and Equipment	(202.103.027)	(31.469.678)	(9.540.631)	7.309.375	(235.803.961)
Vehicles	(3.832.712)	(660.008)	(247.612)	63.908	(4.676.424)
Furniture and Fixtures	(3.791.716)	(3.621.455)	(427.763)	240.205	(7.600.729)
Other Fixed Assets	(12.271.241)	-	(193.301)	206.774	(12.257.768)
Leasehold Improvements	(86.326)	(718.503)	(78.169)	-	(882.998)
Acquired Assets Under Finance Leases	-	(6.006.676)	(661.998)	-	(6.668.674)
Total	(236.914.828)	(43.366.087)	(11.994.062)	7.827.985	(284.446.992)
Tangible Assets, Net	84.229.724				141.809.679

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

Insurance amount of Tangible Assets are disclosed in Note: 22

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

NOTE 19 INTANGIBLE ASSETS

December 31, 2013

Cost	January 1, 2013 Opening Balance	Foreign Currency Translation Differences	Additions	Disposals (-)	December 31, 2013 Closing Balance
Rights	15.153.906	1.647	45.927	(57.794)	15.143.686
Development Cost	827.315	-	789.798	-	1.617.113
Other Intangible Assets	172.257	-	1.081	-	173.338
Total	16.153.478	1.647	836.806	(57.794)	16.934.137
Accumulated Depreciation	January 1, 2013 Opening Balance	Foreign Currency Translation Differences	Period Amortization	Disposals	December 31, 2013 Closing Balance
Rights	(12.107.085)	(1.250)	(328.919)	57.562	(12.379.692)
Development Cost	(95.753)	-	(94.933)	-	(190.686)
Other Intangible Assets	(166.969)	-	(2.550)	-	(169.519)
Total	(12.369.807)	(1.250)	(426.402)	57.562	(12.739.897)
Intangible Assets, Net	3.783.671				4.194.240

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

December 31, 2012

Cost	January 1, 2012 Opening Balance	Incurred from Merger with Bemka	Transfer	Additions	Disposals (-)	December 31, 2012 Closing Balance
Rights	268.542	14.738.375	-	152.037	(5.048)	15.153.906
Development Cost	328.840	-	-	498.475	-	827.315
Other Intangible Assets	-	172.257	-	-	-	172.257
Total	597.382	14.910.632		650.512	(5.048)	16.153.478

Accumulated Depreciation	January 1, 2012 Opening Balance	Incurred from Merger with Bemka	Transfer	Period Amortization	Disposals	December 31, 2012 Closing Balance
Rights	(236.983)	(11.768.322)	-	(106.828)	5.048	(12.107.085)
Development Cost	(56.063)	-	-	(39.690)	-	(95.753)
Other Intangible Assets	-	(165.996)	-	(973)	-	(166.969)
Total	(293.046)	(11.934.318)		(147.491)	5.048	(12.369.807)

Intangible Assets, Net	304.336					3.783.671
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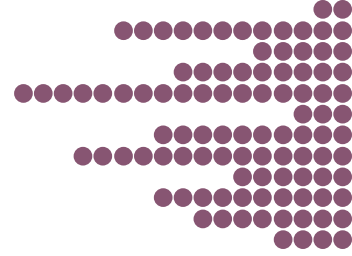
NOTE 20 GOODWILL

Movements of Goodwill as of December 31, 2013 and December 31, 2012 are as follows;

	December 31, 2013	December 31, 2012
Opening Balance January 1	4.056.423	4.056.423
Acquisitions	-	-
Impairments	-	-
Closing Balance December 31	4.056.423	4.056.423

As of December 31, 2013 the goodwill with an amount of TL 4.056.423 is composed of investments in Sarda, Bektaş, Sark USA with the amounts TL 1.421.859 (December 31, 2012: TL 1.421.859), TL 2.208.029 (December 31, 2012: TL 2.208.029), TL 426.535 (December 31, 2012: TL 426.535) respectively.

The recoverable amount of cash generating units are determined taking the calculations of value in use or fair value less cost of sales into consideration. At last, these calculations were made as of December 31, 2012. These calculations were based on the cash flow estimates of the Group management. The estimated cash flows were calculated using the growth rates and discount rates which are specified in the following table.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

The budgeted periods and important assumptions used in recoverable amount calculations are as follows:

Cash Generating Company	Method	Period	Rate 1	Rate 2
Sarda	Fair Value, TL	5 Years	5%	11%
Bektaş	Fair Value, TL	5 Years	5%	11%
Sark USA	Fair Value, USD	5 Years	5%	11%

Rate 1: The growth rates used for calculating the proforma cash flows after the budgeted periods

Rate 2: Discount rates applied to the cash flow estimates

NOTE 21 GOVERNMENT GRANTS AND AIDS

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

NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

22.1 Provisions

Account Name	December 31, 2013	December 31, 2012
Provisions for Employee Benefits	689.461	1.092.212
Provision for Unused Authorization	689.461	1.092.212
Other Short-Term Provisions	685.470	1.218.153
Provision for Lawsuits	181.420	134.706
Provision for Contract Manufacturing Raw Materials	-	101.120
Provision for Unpaid Loan Bill	-	704
Provision for Expense Accruals	-	680.650
Other Provisions	504.050	300.973
Total	1.374.931	2.310.365

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

	Provision for Lawsuit	Provision for Unused Authorization	Provision for Unpaid Loan Bill	Provision for Expense Accruals	Provision for Contract Manufacturing Raw	Provision for Sales Discounts	Total
January 1, 2012	124.381	799.609	-	511.909	-	-	1.435.899
Incurring from Merger with Bemka	98.693	234.759	-	660	1.005.641	18.398	1.358.151
Additional provisions	-	168.567	704	173.459	5.012.343	282.575	5.637.648
Payments	-	-	-	(5.378)	(5.916.864)	-	(5.922.242)
Provisions cancelled	(88.368)	(110.723)	-	-	-	-	(199.091)
December 31, 2012	134.706	1.092.212	704	680.650	101.120	300.973	2.310.365

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

22.2 Contingent Assets and Liabilities;

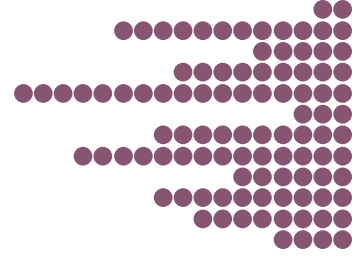
Contingent Events;

December 31, 2013

The Group make provisions for doubtful receivables, for the receivables which have not been collected even they were past due as of December 31, 2013, the Group made provision for receivables amounting to TL 10.407.073 and in the previous year, provisions for lawsuits amounting to TL 134.706 for the lawsuits against the Group. (10.324 TL has been incurred in the previous period from the merger with Bemka)

December 31, 2012

The Group make provisions for doubtful receivables, for the receivables which have not been collected even they were past due as of December 31, 2012, the Group made provision for receivables amounting to TL 7.685.395 and in the previous year, provisions for lawsuits amounting to TL 134.706 for the lawsuits against the Group. (10.324 TL has been incurred in the current period from the merger with Bemka)



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

22.3 Commitments Not Presented in the Liabilities of the Statement of Financial Position;

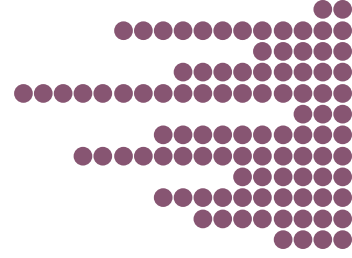
Description	Type of Currency	December 31, 2013	December 31, 2013	December 31, 2012	December 31, 2012
		Currency Amount	TL Amount	Currency Amount	TL Amount
Sarkuysan Letters of Guarantee Given	TL	-	102.000.919	-	150.814.969
Sarkuysan Letters of Guarantee Given	USD	9.000	19.208	9.000	16.043
Sarmakina Letters of Guarantee Given	TL	-	32.120	-	32.120
Sarmakina Letters of Guarantee Given	USD	167.495	357.484	17.495	31.187
Bemka Letters of Guarantee Given	TL	-	2.011.407	-	356.905
Bemka Letters of Guarantee Given	USD	300.000	640.290	309.938	552.495
Bektaş Letters of Guarantee Given	TL	-	2.894	-	5.355
Sarda Letters of Guarantee Given	TL	-	11.322.000	-	12.128.000
Ege Free Zone Letters of Guarantee Given	USD	1.838	3.922	1.838	3.280
Total			116.390.244		163.940.354
Sarkuysan Sureties Given (*)	TL	-	106.696.342	-	63.696.342
Sarkuysan Sureties Given (*)	EURO	500.000	1.468.250	500.000	1.175.850
Sarkuysan Sureties Given (*)	USD	19.500.000	41.618.850	7.000.000	12.478.200
Total			149.783.442	-	77.350.392
Sarda Letters of Guarantee Taken	TL	-	890.000	-	890.000
Sarmakina Letters of Guarantee Taken	TL	-	-	-	15.000
Sarmakina Letters of Guarantee Taken	USD	-	-	14.665	26.142
Sarmakina Letters of Guarantee Taken	EURO	-	-	5.546	13.043
Sarkuysan Letters of Guarantee Taken	TL	-	7.035.000	-	8.875.000
Sarkuysan Letters of Guarantee Taken	USD	3.944.000	8.417.679	3.340.661	5.955.062
Sarkuysan Letters of Guarantee Taken	EURO	20.000	58.730	20.000	47.034
Sarkuysan Letters of Guarantee Taken	GBP	-	-	-	-
Total			16.401.409	-	15.821.281
Sarda Cheques of Guarantee Received	TL	-	1.325.000	-	1.425.000
Sarmakina Cheques of Guarantee Received	TL	-	-	-	-
Sarkuysan Cheques of Guarantee Received	TL	-	67.700	-	78.700
Sarkuysan Cheques of Guarantee Received	USD	229.974	490.834	-	-
Sarkuysan Cheques of Guarantee Received	EURO	21.641	63.549	-	-
Total			1.947.083	-	1.503.700

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Description	Type of Currency	December 31, 2013	December 31, 2013	December 31, 2012	December 31, 2012
		Currency Amount	TL Amount	Currency Amount	TL Amount
Sarkuysan Notes of Guarantee Received	TL	-	57.035.449	-	20.650.493
Sarkuysan Notes of Guarantee Received	USD	44.740.325	95.489.275	34.962.041	62.323.334
Sarkuysan Notes of Guarantee Received	EURO	60.325	177.144	36.325	85.426
Sarda Notes of Guarantee Received	TL	-	11.800.000	-	10.280.000
Sarda Notes of Guarantee Received	USD	17.250.000	36.816.675	12.750.000	22.974.600
Total			201.318.543	-	116.313.853
Sarkuysan Mortgages Received	USD	10.000.000	21.343.000	-	-
Sarkuysan Mortgages Received	TL	-	19.100.000	-	-
Sarda Mortgages Received	TL	-	5.000.000	-	-
Bemka Mortgages Received	TL	-	150.000	-	-
Total			45.593.000		-
Sarkuysan Notes of Guarantee Given	TL	-	675.000	-	450.000
Sarkuysan Notes of Guarantee Given	USD	64.057.316	136.717.529	37.046.387	66.038.889
Sarkuysan Notes of Guarantee Given	EURO	27.815.000	81.678.748	-	-
Total			219.071.277	-	66.488.889
Bemka Mortgages Given	EURO	-	-	1.100.000	2.586.870
Sarkuysan Mortgages Given	EURO	1.100.000	3.230.150	-	-
Sarkuysan Mortgages Given	TL	-	-	-	-
Total			3.230.150	-	2.586.870
Bemka Pledge of Assets	TL	-	-	-	5.500.000
Total			-	-	5.500.000
Sarkuysan Guarantees of Factoring	TL	-	36.162.063	-	52.306.336
Sarkuysan Hedging Operations	USD	53.602.705	114.404.253	72.640.506	129.488.966
Sarkuysan Hedging Operations	EURO	23.422.150	68.779.145	21.975.511	51.679.810
Sarkuysan Hedging Operations	GBP	-	-	723.646	2.077.444
Total			219.345.461	-	235.552.556



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

December 31, 2013

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

Letters of guarantee with the amount of TL 16.116.409 are received from the customers and TL 285.000 from service vendors.

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

Letters of guarantee given with the amount of TL 92.761.257 to Large Taxpayers Office, TL 11.322.000 to Bosphorus Corporate Taxpayers Office, TL 5.000.000 was given to the Undersecretariat of Customs, TL 2.544.326 to Gaziport and TL 4.762.661 to other public institutions.

All of the notes of guarantee given consist of Eximbank guarantees.

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

December 31, 2012

In the current period, TL 1.425.000 of the Cheques of Guarantee Received by the company belongs to its customers and TL 78.700 belongs to service vendors.

Letters of guarantee with the amount of TL 15.611.281 are received from the customers and TL 210.000 from service vendors.

Notes of Guarantee Received were taken from the customers and suppliers with the amounts of TL 112.427.742 and TL 3.886.111, respectively.

Letters of guarantee given with the amount of TL 154.287.515 to Large Taxpayers Office, TL 5.000.000 was given to the Undersecretariat of Customs, TL 2.544.326 to Gaziport and TL 2.108.513 to other public institutions.

All of the notes of guarantee given consist of Eximbank guarantees.

^(*) Sureties given for Bektaş TL 6.342, Sarmakina TL 1.175.850 (EURO 500.000), Sarda TL 18.370.000 Sark Wire Corp. TL 12.478.200 (USD 7.000.000) and Bemka TL 45.320.000 which were consolidated according to full consolidation method.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

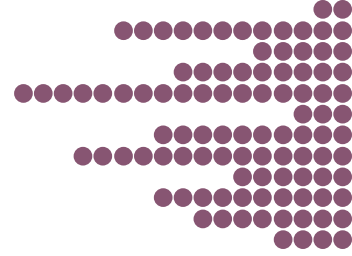
Notes to the Consolidated Financial Statements as of December 31, 2013

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

22.4 Total Amount of Insurances on Assets;

December 31, 2013

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

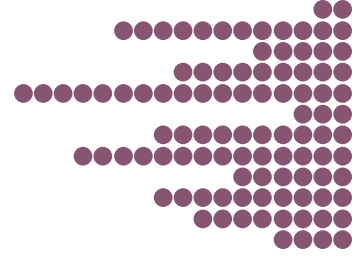
Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount	
					TL	Foreign Currency Amount
Interruption of Glass	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December 31, 2014	USD	-	1.000
Environmental Regulation (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	December 31, 2013 December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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

December 31, 2012

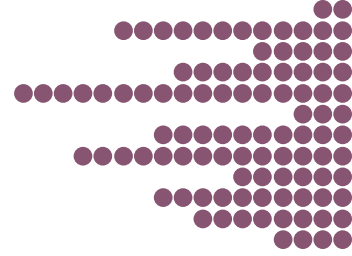
Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount	
					TL	Foreign Currency Amount
Interruption of Machinery	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	95.000.000
Fire	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	277.608.600
Profit Loss	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	23.305.861
Electronical Equip.	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	4.000.000
Cash Fire-Robbery	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	4.000.000
Product Liability Insurance	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	485.000.000
Carried Money- Value	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.000.000
Breach of Trust	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	400.000
Employer's Liability	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	143.600.000
Individual Accident Insurance	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	360.000.000
Financial Liability Policies of Related Individuals	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	200.000
Sarkuysan- Ak Trade Center Fire	Sarkuysan	Anadolu Sigorta A.Ş.	January 1, 2012 December 31, 2012	TL	6.547.000	-
Sarkuysan Ak Business Centre Glass	Sarkuysan	Anadolu Sigorta A.Ş.	January 1, 2012 December 31, 2012	TL	200.000	-
Vehicles	Sarkuysan	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	TL	800.388	-
Building (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	248.522
Commodity (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	550.000
Furniture and Fixtures (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	59.700
Machine (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	527.855
Additional Benefits	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.634.599
Terror	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.634.599
Earthquake	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.634.599
Commodity Robbery	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	550.000
Furniture and Fixtures (Robbery)	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	59.700

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount	
					TL	Foreign Currency Amount
Machinery and Facility (Robbery)	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	527.855
Profit Loss	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	100.000
Interruption of Glass	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.000
Environmental Regulation (Fire)	Ege Free Zone	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	248.522
Carried Money - Value	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	350.000
Breach of Trust	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	550.000
Interruption of Machinery	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.900.000
Electronical Equipment	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	204.000
Building Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	143.000
Building Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	8.407.800
Building Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	74.200
3rd Person Financial Responsibility	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.000.000
Vehicles	Sarmakina A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	TL	165.977	-
Fire	Bektaş A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	3.000.000
Employer Financial Responsibility	Bektaş A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	200.000
Personal Accident Insurance	Bektaş A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	150.000
Furniture and Fixtures	Sarda A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	200.000
Carried Money - Value	Sarda A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	360.000
Breach of Trust	Sarda A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	25.000
Cash	Sarda A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.000.000
3rd Person Financial Responsibility	Sarda A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.000.000
Employer Financial Responsibility	Sarda A.Ş.	Axa Sigorta A.Ş.	January 1, 2012 December 31, 2012	USD	-	1.000.000
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	September 30, 2012 September 30, 2013	TL	22.500	-



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

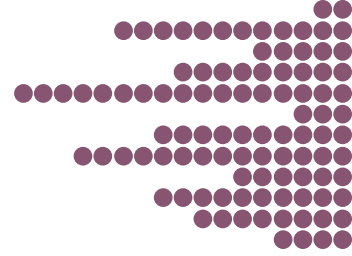
Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount	
					TL	Foreign Currency Amount
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	October 6, 2012 October 6, 2013	TL	50.000	-
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	December 26, 2012 December 26, 2013	TL	22.500	-
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	December 30, 2012 December 30, 2013	TL	50.000	-
Commercial Goods	Sarda A.Ş.	Axa Sigorta A.Ş.	February 25, 2012 February 25, 2013	USD	-	450.000
Gebze Machinery Plant Fire	Bemka	Ak Sigorta	June 20, 2012 March 30, 2013	USD	-	7.672.150
Gebze Machinery Plant Fire	Bemka	Ak Sigorta	June 20, 2012 March 30, 2013	USD	-	1.500.000
Gebze Building Fire	Bemka	Ak Sigorta	June 20, 2012 March 30, 2013	USD	-	1.500.000
Gebze Commercial Goods Fire	Bemka	Ak Sigorta	June 20, 2012 March 30, 2013	USD	-	2.400.000
Profit Loss	Bemka	Ak Sigorta	June 20, 2012 March 30, 2013	USD	-	750.000
Gebze Storage Machinery Plant Fire	Bemka	Ak Sigorta	June 20, 2012 March 30, 2013	USD	-	1.427.500
Tuzla CTC Machine Plant Fire	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	2.792.800
Tuzla Emaye Machinery Plant Fire	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	998.000
Tuzla CTC Commercial Goods Fire	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	1.600.000
Tuzla Emaye Commercial Goods Fire	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	800.000
Tuzla Furniture and Fixtures Fire	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	100.000
Profit Loss	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	750.000
Gebze Interruption of Machinery	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	8.439.365
Tuzla CTC Interruption of Machinery	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	3.072.000
Tuzla Emaye Interruption of Machinery	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	1.097.000
Electronics Machinery	Bemka	Ak Sigorta	March 20, 2012 March 16, 2013	USD	-	400.000
Eskişehir Commercial Goods	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	400.000
Tekirdağ Commercial Goods	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	400.000
Carried Money	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	500.000

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount	
					TL	Foreign Currency Amount
Cash Fire	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	500.000
3rd Person Financial Responsibility	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	100.000
Employer Financial Responsibility	Bemka	Ak Sigorta	March 20, 2012 March 30, 2013	USD	-	100.000
Product Responsibility Insurance	Bemka	Allianz Sigorta	December 17, 2012 December 17, 2013	EUR	-	2.000.000
Product Recall	Bemka	Allianz Sigorta	December 17, 2012 December 17, 2013	EUR	-	2.000.000
Tuzla Financial Lease Machinery	Bemka	Ak Finansal	November 14, 2012 November 14, 2013	EUR	-	1.255.000
Tuzla Financial Lease Machinery	Bemka	Ray Sigorta	February 28, 2012 February 28, 2013	EUR	-	7.164.404
34 BMK 70 Bmw 730	Bemka	Nart (Anadolu) Sig	December 17, 2012 December 17, 2013	TL	112.000	-
34 TY 1418 Honda Accord	Bemka	Nart (Anadolu) Sig	December 17, 2012 December 17, 2013	TL	38.800	-
34 TY 0594 Honda Accord	Bemka	Nart (Zürich) Sig.	December 16, 2012 December 16, 2013	TL	38.800	-
34 TY 1416 Honda Accord	Bemka	Nart (Zürich) Sig.	December 16, 2012 December 16, 2013	TL	38.800	-
34 TY 0759 Honda Accord	Bemka	Nart (Zürich) Sig.	December 16, 2012 December 16, 2013	TL	38.800	-
34 DU 5750 Honda Civic	Bemka	Nart (Zürich) Sig.	December 16, 2012 December 16, 2013	TL	26.250	-
34 DU 5747 Honda Civic	Bemka	Nart (Zürich) Sig.	December 16, 2012 December 16, 2013	TL	26.250	-
34 DU 5749 Honda Civic	Bemka	Nart (Zürich) Sig.	December 16, 2012 December 16, 2013	TL	26.250	-
34 BS 5922 Tofaş Doblo	Bemka	Nart (Zürich) Sig.	December 16, 2012 December 16, 2013	TL	17.100	-
34 UD 3913 Tofaş Doblo	Bemka	Anadolu Sigorta	June 11, 2012 June 11, 2013	TL	12.500	-
34 EY 3510 Honda Civic	Bemka	Zürich Sigorta	May 29, 2012 May 29, 2013	TL	30.250	-
Total					8.264.165	1.471.623.631



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

Mortgages & Guarantees Given by the Group

	December 31, 2013		December 31, 2012	
	Foreign Currency Amount	TL Amount	Foreign Currency Amount	TL Amount
A. Total amount of M&G Given on behalf of the Group	-	335.461.521	-	238.516.113
<i>Guarantee Letters (TL)</i>	-	115.369.340	-	163.337.349
<i>Guarantee Letters (EURO)</i>	-	-	-	-
<i>Guarantee Letters (USD)</i>	478.333	1.020.904	338.271	603.005
<i>Mortgages (TL)</i>	-	-	-	-
<i>Mortgages (EURO)</i>	-	-	1.100.000	2.586.870
<i>Guarantee Cheques (TL)</i>	-	-	-	-
<i>Guarantee Cheques (USD)</i>	-	-	-	-
<i>Guarantee Notes (TL)</i>	-	675.000	-	450.000
<i>Guarantee Notes (USD)</i>	64.057.316	136.717.529	37.046.387	66.038.889
<i>Guarantee Notes (EURO)</i>	27.815.000	81.678.748	-	-
Pledge of Assets (TL)	-	-	-	5.500.000
B. Total amount of M&G Given on behalf of the Subsidiaries and Affiliated Companies subject to full consolidation	-	153.013.592	-	77.350.392
<i>Surety (TL)</i>	-	106.696.342	-	63.696.342
<i>Surety (EURO)</i>	500.000	1.468.250	500.000	1.175.850
<i>Surety (USD)</i>	19.500.000	41.618.850	7.000.000	12.478.200
<i>Mortgages (EURO)</i>	1.100.000	3.230.150	-	-
C. Total Amount of M&G Given on behalf of third person liability in order to sustain usual business activities.	-	-	-	-
D. Total Amount of other M&G Given	-	-	-	-
Total		488.475.113		315.866.505

The ratio of total amount of M&G given on behalf of the Group to the Group's shareholders' equity as of December 31, 2013 is 0%. (December 31, 2012: 0%)

NOTE 23 COMMITMENTS

None

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 24 EMPLOYEE TERMINATION BENEFITS

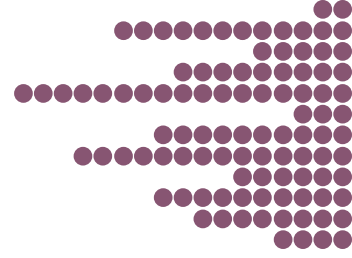
Account Name	December 31, 2013	December 31, 2012
Provisions For Termination Indemnity	18.665.051	13.686.629
Total	18.665.051	13.686.629

Within the context of current Labor Law, liability of payment of legal benefit for termination indemnity arises when terminated employment contract is qualified for termination indemnity. In addition, according to currently valid Social Insurance Law making payment to employee, who has the right of severance with termination indemnity, is a legal liability. As of December 31, 2013, upper limit of termination indemnity is monthly TL 3.254,44 (December 31, 2012: TL 3.129,25). Termination indemnity payable is not subject to any legal funding. As of January 01, 2014, upper limit of termination indemnity is monthly TL 3.438,22.

Termination indemnity payable is calculated by forecasting the present value of currently working employee's possible future liabilities IAS 19 ("Employee Termination Benefits"), predicts to build up Group's liabilities with using actuarial valuation techniques within the context of defined benefit plans. According to these predictions, actuarial assumptions used in calculation of total liabilities are as follows: Base assumption is the inflation parallel increase of maximum liability of each year. Applied discount rate must represent expected real discount rate after the adjustment of future inflation. As of December 31, 2013, provisions in financial statement are calculated by forecasting the present value of currently working employee's possible future liabilities. The provisions at the statement of financial position dates have been calculated assuming an annual inflation rate of 5,50% and a discount rate of 10.00%. The real discount rate of 4.27% (December 31, 2012: 4,66%) was used in the computation. Employee termination benefits related to severance for December 31, 2013 probability estimate was calculated as 98,15%. (December 31, 2012: 98,67%). The Group Management revised the expectations of discount assumptions in 2013.

Movements of Provisions For Termination Indemnity are as follows;

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Provision as of January 1	13.686.629	10.553.756
Current Period Service Cost	1.442.145	995.723
Interest Cost	1.360.321	1.182.125
Actuarial Income/Loss	2.869.719	603.615
Loss Composed on Payment	412.013	356.971
Payments	(1.105.776)	(798.709)
Incurred from Merger with Bemka	-	793.148
Closing Balance	18.665.051	13.686.629



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Provision expense for termination indemnities is TL 6.084.198, the accounts are recognized as an expense as follows;

	January 1, 2013
	December 31, 2013
Manufacturing Cost	2.181.376
Marketing, Selling and Distribution Expenses	53.441
General Administration Expenses	979.662
The amount accounted in Profit/Loss	3.214.479
Actuarial Loss accounted in Other Comprehensive Income^(*)	2.869.719
Total Expense	6.084.198

^(*)In accordance with the revised standard IFRS 19 ("Employee Benefits") which has become effective as of January 1, 2013 the group started to state actuarial gain/loss related to employee benefits recognized as other comprehensive income under Previous Years' Loss/Profit. In the current period actuarial loss amount was TL 2.869.719. Deferred tax effect of this amount was also taken into consideration and stated in other comprehensive income statement and as a result of this transaction the amount of other comprehensive income was TL 2.305.413. Employee Termination Benefits Actuarial Gain/Loss of Non-Controlling Interests is amounting to TL 4.002.

	January 1, 2013
	December 31, 2013
Actuarial Loss accounted in Other Comprehensive Income	2.869.719
Tax Effect: 20%	(564.306)
Net Amount	2.305.413

The Group management considers that the changed accounting policy and its impact on financial statements actuarial gain/loss related to employee benefits in profit or loss in the period of December 31, 2012 is not significant, therefore the consolidated financial statements were not restated.

Provision expense for termination indemnities as of January 1, 2012 - December 31, 2012 are as follows:

	January 1, 2012
	December 31, 2012
Manufacturing Cost	982.769
Marketing, Selling, Distribution Expenses	36.295
General Administration Expenses	2.119.370
Total Expense	3.138.434

NOTE 25 RETIREMENT BENEFIT PLANS

None.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 26 OTHER ASSETS AND LIABILITIES

Account Name	December 31, 2013	December 31, 2012
Prepaid Expenses for Following Months	2.212.100	3.747.284
Advances Given For Purchases	487.722	85.772
Travel Advances	172.590	18.130
Total (Current Assets)	2.872.412	3.851.186
Prepaid Expenses for Following Years	-	55.190
Advances Given For Purchases	485.180	1.691.871
Total (Non-Current Assets)	485.180	1.747.061

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

Account Name	December 31, 2013	December 31, 2012
Deferred V.A.T.	224.788	9.382.137
Other Doubtful Assets	295.385	295.385
Provisions for Other Doubtful Assets (-)	(295.385)	(295.385)
Other	767.882	3.829.456
Total	992.670	13.211.593

Provisions for other doubtful assets:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Opening balance	(295.385)	(252.092)
Received amount in the current year	-	241.096
Cancellation of provision	-	-
Foreign Exchange	-	10.996
Period cost	-	(295.385)
Closing balance	(295.385)	(295.385)

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

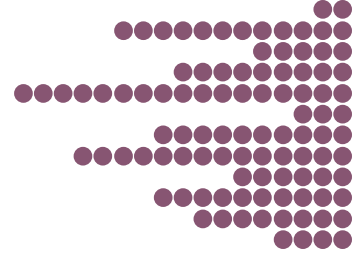
Account Name	December 31, 2013	December 31, 2012
Advances Received	22.549.729	4.291.556
Income for the Following Years (*)	11.711.700	13.481.273
Total	34.261.429	17.772.829

(*) Income for the following years are all consisting of revenues of which the discharge dates are impending to next period as of statement of financial position date.

Group's Other Short-Term Liabilities for the periods ended, are as follows;

Account Name	December 31, 2013	December 31, 2012
Other	-	274.360
Total	-	274.360

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 27 CAPITAL, RESERVES and OTHER SHAREHOLDERS' EQUITY ITEMS

27.1 Non-Controlling Interests

	December 31, 2013	December 31, 2012
Non-Controlling Interests	173.763	734.676
Total	173.763	734.676

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

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Opening Balance, January 1	734.676	149.717
Share from Current Period Profit	(535.842)	(41.328)
Profit Distribution	(13.586)	(21.580)
Currency Translation Adjustments	(7.483)	6.017
Employee Termination Benefits Actuarial Gain/Loss	(4.002)	-
Incurred from Merger with Bemka	-	640.784
Other	-	1.066
Closing Balance	173.763	734.676

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

The share capital consists of 10.000.000.000 shares which have each a nominal value of 1,-. The share capital consists of A and B Group shares which are divided into two groups and their privileges are as follows;

	Par Value	Number of Shares
A Type Shares	5	500
B Type Shares	99.999.995	9.999.999.500
Total	100.000.000	10.000.000.000

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

Type B shares are publicly traded and there is no shareholder who is holding voting rights more than 10%.

Increase in Capital:

December 31, 2013

None

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

December 31, 2012

According to the board's decision on 23.02.2012 numbered 1316/12.06 they have increased the capital from 50.000.000 TL to 100.000.000 TL.

The group's increase in capital comes from the 39.303.760 TL sale of property, 10.696.240 TL comes from the positive change in equity, with this addition the equity has been raised from 50.000.000 TL to 100.000.000 TL. As of December 31, 2012 the company's equity has been discharged and is now 10.000.000.000 stocks at a nominal value of 1 Krş.

The capital increase was issued in the Official Gazette on 11.06.2012 Numbered 8087.

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

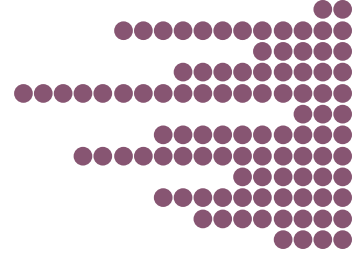
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss for the periods ended, are as follows:

Account Name	December 31, 2013	December 31, 2012
Actuarial Gain/Loss (Note: 24)	(2.865.717)	-
Tax Effect (-)(Note: 24, Note: 35)	564.306	-
Actuarial Gain/Loss from Defined Pension Plans (Net)	(2.301.411)	-
Investment Property Revaluation Surplus	11.117.185	36.032.215
Tangible Assets Revaluation Surplus	721.881	721.881
Revaluation and Gain/Loss Arising from Measurement	9.537.655	36.754.096
Share in Profit/(Loss) of Investments Evaluated by Equity Method (Note: 16)	227.674	-
Other gain/loss	227.674	-
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss	9.765.329	36.754.096

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

December 31, 2013

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

December 31, 2012

	<i>Actuarial Gain/Loss</i> ^(****)	Investment Property Revaluation Surplus ^(*)	Tangible Assets Revaluation Surplus ^(**)	<i>Other Gain/Loss</i> ^(***)	Total
Opening Balance, January 1	-	36.032.215	721.881	-	36.754.096
Addition	-	-	-	-	-
Decreasing	-	-	-	-	-
Deferred Tax Offset (-)	-	-	-	-	-
Closing Balance	-	36.032.215	721.881	-	36.754.096

(*) The group's investment properties are recognized at fair value. Evaluation differences (Capital Appreciation) are recognized under shareholder's equity. The deferred tax asset related to capital appreciation is off-setted from evaluation differences fund. When determining the fair value of investment properties, the results of an evaluation made by a licensed real estate appraisal company operating under the "Communiqué on principles regarding companies which render appraisal services under capital market legislation and their listing by the board" with series: VIII, No: 35 has been used (Note: 17) The fair value appreciation profit relating to assets which were classified as first time investment property considering their intended purpose was recognized under shareholder's equity and the appreciation related to investment properties which were evaluated in next years was recognized under statement of profit or loss.

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

(***) Other Gain/Loss TL 227.674 share from Profit/(Loss) of Investments Evaluated by Equity Method that are accounted in Revaluation Surplus under Equity.

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

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

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

Account Name	December 31, 2013	December 31, 2012
Currency Translation Adjustments	6.006.787	679.788
Other Gain/Loss	-	-
Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss	6.006.787	679.788

27.5 Restricted Reserves from Profit

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

27.6 Previous Years' Profits/(Losses)

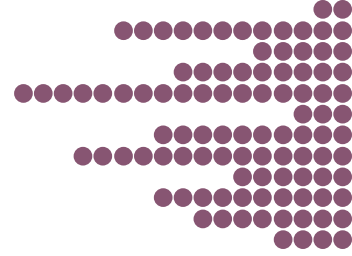
Profits of previous years consist of extraordinary reserves, and profits of other previous years. Previous year's profits/(Losses) for the period ended are as follows:

Account Name	December 31, 2013	December 31, 2012
Extraordinary Reserves	57.583.351	53.233.099
Other Previous Years' Profits/(Losses)	60.174.291	28.188.616
Total	117.757.642	81.421.715

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

27.7 Other

Account Name	December 31, 2013	December 31, 2012
Capital	100.000.000	100.000.000
Capital Adjustments Differences	51.466.039	51.466.039
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss	9.765.329	36.754.096
<i>Actuarial Gain/Loss from Defined Pension Plans</i>	<i>(2.301.411)</i>	-
<i>Investment Property Revaluation Surplus</i>	<i>11.117.185</i>	<i>36.032.215</i>
<i>Tangible Assets Revaluation Surplus</i>	<i>721.881</i>	<i>721.881</i>
<i>Other Gain/Loss</i>	<i>227.674</i>	-
Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss	6.006.787	679.788
<i>Currency Translation Adjustments</i>	<i>6.006.787</i>	<i>679.788</i>
Restricted Reserves	17.563.933	14.700.122
Previous Years' Profit	117.757.642	81.421.715
Net Period Profit	25.898.931	33.387.808
Parent Company Shareholders' Equity	328.458.661	318.409.568
Non-Controlling Interests	173.763	734.676
Total Shareholders' Equity	328.632.424	319.144.244



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 28 REVENUE AND COST OF SALES

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

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Domestic Sales	1.377.165.663	1.395.243.166
Foreign Sales	1.018.016.930	955.633.302
Rental Income From Investment Properties	400.633	2.638.421
Other Sales	39.350.336	32.002.706
Sales Returns (-)	(8.888.590)	(6.145.942)
Discounts (-)	(14.187.111)	(12.681.363)
Revenue	2.411.857.861	2.366.690.290
Cost of Sales (-)	(2.307.658.735)	(2.300.812.926)
Gross Profit	104.199.126	65.877.364

Details of Cost of Sales are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Cost of Products Sold (-)	(2.243.200.539)	(2.170.253.739)
Cost of Commercial Goods Sold (-)	(15.250.985)	(88.177.095)
Cost of Services Sold (-)	(15.352.305)	(12.683.651)
Depreciation (-)	(15.251.657)	(11.296.334)
Cost of Other Sales (-)	(18.603.249)	(18.402.107)
Cost of Sales (-)	(2.307.658.735)	(2.300.812.926)

Production Quantities	Amount	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Copper Wire	Tons	140.675	148.318
Copper Pipe, Bars, Bronze, etc.	Tons	16.767	15.271
Copper Bar, Plate	Tons	220	233
CTC Wire	Tons	2.579	1.113
Enamel copper wire	Tons	8.845	2.771
Steel, Reel Dimensions	Units	1.065	1.621
Machine Manufacturing	Units	6	15
Sales Quantities	Amount	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Copper Wire	Tons	139.696	147.204
Copper Pipe, Bars, Bronze, etc.	Tons	16.672	14.909
Copper Bar, Plate	Tons	220	233
Steel, Reel Dimensions	Units	1.065	1.621
Machine Manufacturing	Units	6	15
CTC Wire	Tons	2.577	1.091
Enamel copper wire	Tons	8.848	3.827

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

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

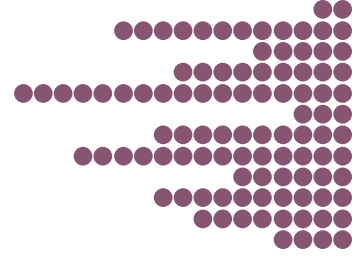
The Operational Expenses of the Group for the periods ended are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Marketing, Sales & Distribution Expenses (-)	(22.737.997)	(17.608.716)
General Administration Expenses (-)	(21.494.550)	(20.172.230)
Research and Development Expenses (-)	(371.053)	(643.972)
Total Operational Expenses	(44.603.600)	(38.424.918)

NOTE 30 EXPENSES RELATED TO THEIR NATURE

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

Marketing, Sales & Distribution Expenses	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Personnel Expenses	(6.923.211)	(5.600.372)
Market Research Expenses	(945.996)	(428.204)
Communication Expenses	(160.218)	(159.007)
Transportation Expenses	(5.658.322)	(4.397.080)
Packaging Expenses	(5.996.459)	(4.607.472)
Rent Expenses	(72.738)	(56.273)
Advertisement Expenses	(473.770)	(321.465)
Maintenance and Repair Expenses	(70.792)	(120.895)
Insurance Expenses	(142.216)	(73.150)
Taxes, Duties and Charges	(129.559)	(117.568)
Termination Indemnity Expenses	(53.441)	(36.295)
Depreciation Expenses	(77.226)	(169.409)
Representation Expenses	(33.241)	(93.150)
Vehicle Expenses	(203.608)	(213.787)
Other	(1.797.200)	(1.214.589)
Total	(22.737.997)	(17.608.716)



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
General Administration Expenses		
Personnel Expenses	(14.085.547)	(11.461.848)
Communication Expenses	(361.080)	(300.308)
Scholarship Expenses	(275.932)	(253.201)
Travel Expenses	(90.403)	(62.756)
Representation Expenses	(156.721)	(176.701)
Insurance Expenses	(523.500)	(640.174)
Consultancy Expenses	(715.242)	(764.188)
Building Maintenance and Repair Expenses	(77.582)	(83.067)
Vehicle Expenses	(281.049)	(177.259)
Termination Indemnity Expenses	(979.662)	(2.119.370)
Rent Expenses	(248.345)	(132.853)
Taxes, Duties and Charges	(687.018)	(932.694)
Advertisement Expenses	(120.024)	(167.890)
Depreciation Expenses	(579.388)	(542.631)
Other	(2.313.057)	(2.357.290)
Total	(21.494.550)	(20.172.230)
Research & Development Expenses		
Personnel Expenses	(190.725)	(387.682)
Outsourced Benefits and Services	(8.729)	(16.842)
Depreciation Expenses	(103.456)	(67.709)
Other	(68.143)	(171.739)
Total	(371.053)	(643.972)

Research & Development Expenses in the current period is TL 1.160.848 (January 1, 2012- December 31, 2012: TL 1.142.447) and TL 789.795 (January 1 2012- December 31, 2012: TL 498.475) of it is capitalized.

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

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Account Name		
Cost of Sales	(15.251.657)	(11.296.334)
Marketing, Sales and Distribution Expenses	(77.226)	(169.409)
General Administration Expenses	(579.388)	(542.631)
Research and Development Expenses	(103.456)	(67.709)
Inventories	(118.597)	(65.470)
Total	(16.130.324)	(12.141.553)

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

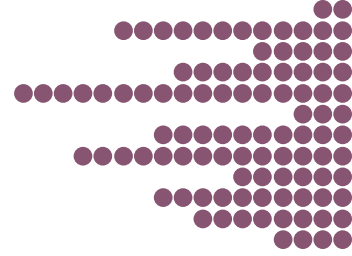
The distribution of the personnel expenses that are stated in the statement of profit or loss are as follows;

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Cost of Sales	(42.252.321)	(30.773.052)
Marketing, Sales and Distribution Expenses	(6.923.211)	(5.600.372)
General Administration Expenses	(14.085.547)	(11.461.848)
Research and Development Expenses	(190.725)	(387.682)
Total	(63.451.804)	(48.222.954)

NOTE 31 OTHER OPERATING INCOME/EXPENSE

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

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Other Income	126.193.470	67.274.338
Provisions for Doubtful Receivables Released	586.104	271.932
Income from Lawsuits Released	-	88.368
Rent Income	230.087	714.525
Insurance Indemnity Revenue Income	20.239	176.986
Inventory Differences	464.533	9.514.047
Incentive Premium	-	50.530
Interest and Rediscount Income	28.514.194	17.794.740
Foreign Exchange Gain	88.385.544	30.830.852
Income from Fair Value of Investment Property	6.960.000	6.775.000
Other	1.032.769	1.057.358
Other Expenses (-)	(42.631.519)	(45.426.281)
Previous Period Expenses and Losses	-	-
Provisions for Doubtful Receivables	(2.728.037)	(2.502.849)
Provision for Lawsuits	(46.714)	-
Idle Capacity Expenses	(306.502)	(247.231)
Provision for Other Expenses	-	(1.121)
Commission Expenses	(40.049)	(20.998)
Provision for Unused Authorization	-	(175.173)
Donations and Aids	(230.439)	(270.923)
Provision for Decrease in Value of Inventories	-	(3.558)
Interest and Rediscount Expense	(13.342.679)	(4.766.080)
Foreign Exchange Loss	(25.493.826)	(34.851.843)
Other	(443.273)	(2.586.505)
Other Income/Expense (Net)	83.561.951	21.848.057



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 32 INCOME/EXPENSE FROM INVESTMENT ACTIVITIES

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

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Income from Investment Activities	1.036.258	9.721.517
- Gain on Sale of Fixed Assets	1.001.791	2.160.296
- Negative Goodwill Income ^(*)	-	7.561.221
- Interest Income	34.467	-
Expense from Investment Activities (-)	-	(983.100)
Provision for Impairment of Fixed Assets	-	(983.100)
Share in Profit/(Loss) of Investments Evaluated According to Equity Method (Note: 16)	277.443	(2.078.036)
Income/Expense from Investment Activities (Net)	1.313.701	6.660.381

^(*) Accounted for by the equity method as of December 31, 2011, 77.19% of Bemka A.Ş. shares were acquired by the Group for TL 2.793.108. Merger of Bemka A.Ş. was completed as of July 31, 2012. Following the completion of acquisition transactions, Bemka A.Ş. is being reported as a participation. Negative goodwill arising from the purchase transaction, amounting to TL 7.561.221 on 31 December 2012 was recorded as Income from Investment Activities.

NOTE 33 FINANCIAL INCOME/EXPENSE

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

Financial Income	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Interest Income	3.142.622	1.466.900
Foreign Exchange Gain	21.087.340	46.811.130
Incomes Provided from Derivative Transactions	4.209.399	18.398.182
Total	28.439.361	66.676.212

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

Financial Expenses	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Interest Expense	(29.594.229)	(28.453.341)
Foreign Exchange Loss	(95.348.864)	(37.396.617)
Expenses from Derivative Transactions	(19.503.422)	(13.017.219)
Letter of Guarantee Commission Expenses	(664.661)	(1.082.595)
Other	(71.385)	(16.852)
Total	(145.182.561)	(79.966.624)

NOTE 34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 35 TAX ASSETS AND LIABILITIES

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

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Current Corporate Tax Provision (-)	(10.484.096)	(8.148.251)
Deferred Tax Income/(Expense)	8.119.723	(1.175.741)
Total Tax Income/(Expense)	(2.364.373)	(9.323.992)

35.1 Provision for Current Period Tax

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

Account Name	December 31, 2013	December 31, 2012
Provision for Taxes	10.484.096	8.148.251
Prepaid Taxes (*)	(9.520.529)	(5.849.318)
Total Tax Liabilities of Current Period	963.567	2.298.933

(*) Returnable prepaid tax amounting to TL 169.482 which were disclosed as Current Assets under Current Income Tax Assets for the period ended. (December 31, 2012: TL 1.443.913)

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

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

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

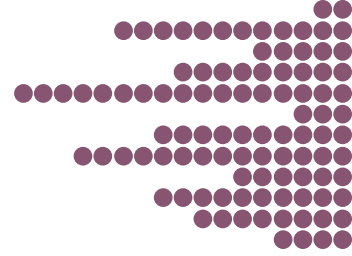
Effective Corporate Tax Rate:

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

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

Income Withholding Tax:

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



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

35.2 Deferred Tax:

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

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

Account Name	December 31, 2013 Accumulated Permanent Differences	December 31, 2012 Accumulated Permanent Differences	December 31, 2013 Deferred Tax Receivable/ (Payable)	December 31, 2012 Deferred Tax Receivable/ (Payable)
Fixed Assets	(5.181.075)	1.721.102	(1.036.215)	264.725
Revaluation Surplus	(1.252.279)	(31.146.681)	(250.456)	(6.229.336)
Investment Property Valuation Differences (Equity)	(11.702.298)	(37.928.645)	(585.115)	(1.896.432)
Investment Property Valuation Differences (Statement of profit or loss)	(12.080.756)	(15.839.866)	(604.038)	(791.993)
Fiscal Loss	-	2.523.820	-	517.105
Depreciation Expense Allocated to Inventories	(118.597)	(65.470)	(23.719)	(13.094)
Rediscount Expense	2.594.592	2.025.919	518.918	405.184
Provision for Termination Indemnity	18.560.543	11.766.848	3.712.109	2.721.078
Provision for Doubtful Receivables	6.218.075	3.808.897	1.243.615	761.779
Provision for Lawsuits	181.420	2.957	36.284	50.344
Provision for Decrease in Value of Inventories	59.143	273.156	11.829	54.631
Provision for Effective Interest Expense	(102.524)	(127.264)	(20.505)	(25.453)
Rediscount of Payables	(768.131)	(347.160)	(153.626)	(71.580)
Net Expenses/Income from Derivative Transactions	1.109.666	(68.854)	221.933	(13.771)
Provision for Unused Authorization	674.474	968.207	134.895	193.642
Special Funds	-	(6.349.698)	-	(1.269.940)
Periodicity Adjustments	1.084.747	1.196.154	216.949	239.232
Other	616.300	(250.673)	123.261	(34.031)
Deferred Tax Assets/Liabilities			3.546.119	(5.137.910)

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Balance at the beginning of the period	(5.137.910)	(3.947.222)
Employee Termination Benefits Actuarial Gain/Loss	564.306	-
Deferred Tax Income/(Expense)	8.119.723	(1.175.741)
The Cancellation of Tax Effect from Evaluation of Fixed Assets after Acquisition	-	211.946
Incurred from Merger with Bemka	-	(226.893)
Balance at the end of the period	3.546.119	(5.137.910)

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

The details of carried losses which were taken into consideration during the calculation of deferred tax assets are as follows:

Period	Last Useable Year	December 31, 2013	December 31, 2012
2011 year	2016	-	2.523.820
Total		-	2.523.820

Fiscal loss is related to subsidiary Bemka.

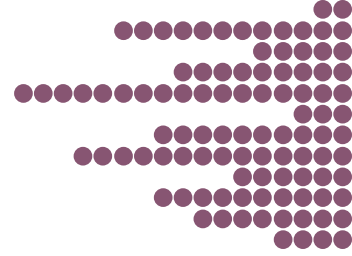
The details of carried losses which were not taken into consideration during the calculation of deferred tax assets are as follows:

Period	Last Useable Year	December 31, 2013	December 31, 2012
2008 year	2013	-	2.124.846
2009 year	2014	-	4.674.922
2010 year	2015	-	9.343.355
2011 year	2016	-	15.841.576
2012 year	2017	12.555.432	
Total		12.555.432	31.984.699

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Reconciliation of Tax Provision		
Profits obtained from continuing operations	27.727.978	42.670.472
Income tax rate 20%	(5.545.596)	(8.534.094)
Tax effect:		
- Non-taxable Income	201.000	1.480.403
- Non-allowable Expenses	(827.927)	(2.270.301)
- Carried Fiscal Losses which were not taken into consideration in Previous Periods ^(*)	6.319.236	-
- Unused Fiscal Loss ^(**)	(2.511.086)	-
- Other Temporary Differences	-	-
Deferred Tax Income/(Expense)	(2.364.373)	(9.323.992)

^(*) It is the tax effect of fiscal loss that was not taken into consideration during deferred tax calculation of subsidiary Bemka's financial statements as of December 31, 2012.

^(**) It is the tax effect of unused fiscal loss that was not taken into consideration during Current Deferred Tax calculation of subsidiary Bemka.



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

NOTE 36 EARNINGS PER SHARE

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

Account Name	January 1, 2013	January 1, 2012
	December 31, 2013	December 31, 2012
Net Profit For The Period/(Loss)	25.898.931	33.387.808
Weighted Average Number of Common Shares Outstanding	10.000.000.000	10.000.000.000
Earnings per Share	0,00259	0,00334

Accordingly, the weighted average number of shares outstanding during the years has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year. In accordance with that explanation retained earnings in 2012 was found by dividing into 10.000.000.000 shares. The Group's Capital consists of shares and issued stock of 1 Krs nominal value at 10.000.000.000 shares as of December 31, 2012.

NOTE 37 EXPLANATIONS OF RELATED PARTIES

37.1 Balances of Related Parties:

December 31, 2013	Receivables		Liabilities	
	Commercial	Non-Commercial	Commercial	Non-Commercial
Demisaş	1.148.492	-	-	-
Shareholders	-	-	-	81.650
Total	1.148.492	-	-	81.650

December 31, 2012	Receivables		Liabilities	
	Commercial	Non-Commercial	Commercial	Non-Commercial
Demisaş	266.028	-	-	-
Shareholders	-	95.298	-	100.341
Total	266.028	95.298	-	100.341

December 31, 2013

The mortgages taken from customers with the amount of TL 5.000.000 are from Bemka to Sarda. There is not any guarantee taken from Group companies except the ones mentioned above.

December 31, 2012

The mortgages taken from customers with the amount of TL 18.000.000 are from Bemka to Sarkuysan, and TL 5.000.000 from Bemka to Sarda. There is not any guarantee taken from Group companies except the ones mentioned above.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

37.2 Details of the Purchases and Sales of Related Parties:

December 31, 2013

Related Parties	Good and Service Sales	Rent Income	F/X - Interest Income	Other Sales	Total
Demisaş	7.328.915	112.500	-	193.663	7.635.078
Total	7.328.915	112.500	-	193.663	7.635.078

Related Parties	Purchase of Goods and Services	Rent Expense	F/X - Interest Expense	Other Purchases	Total
Demisaş	-	44.069	-	3.699	47.768
Total	-	44.069	-	3.699	47.768

December 31, 2012

Related Parties	Good and Service Sales	Rent Income	F/X - Interest Income	Other Sales	Total
Bemka (*)	49.354.823	171.925	3.170.768	170.961	52.868.477
Demisaş	3.143.497	80.334	-	117.261	3.341.092
Total	52.498.320	252.259	3.170.768	288.222	56.209.569

Related Parties	Purchase of Goods and Services	Rent Expense	F/X - Interest Expense	Other Purchases	Total
Bemka (*)	14.297.195	-	1.877.671	-	16.174.866
Total	14.297.195	-	1.877.671	-	16.174.866

(*) Merger of Bemka A.Ş. which was taken over by the Group as of July 31, 2012. Starting from the date of acquisition Bemka A.Ş. is classified as a participation. Acquisition and disposal transactions mentioned above which are made until the date of acquisition by Bemka A.Ş. Hereafter, acquisition and disposal transactions are eliminated mutually in the consolidated financial statements.

37.3 Benefits and Services Provided for Senior Management:

Benefits and services provided for senior executives as of December 31, 2013 are TL 7.880.971. (December 31, 2012: TL 5.464.249)

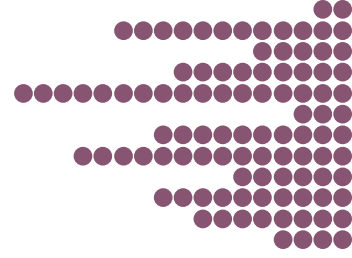
NOTE 38 THE CHARACTERISTICS AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

38.1 Capital Risk Management

The Group is planning to secure the business continuity and on the other hand planning to increase the profitability by using the balance of liabilities and share capital efficiently.

The Group's capital structure consist of payables including the credits mentioned in Note 8, cash and cash equivalents in Note 6, shareholders' equity including issued capital, capital reserves, profit reserves and previous years' profit mentioned in Note 27.

The risks related to cost of capital and all categories of capital are evaluated by senior executives. By these evaluations of senior executives, structure of capital is planned to be balanced by dividend payments and issuing new shares as much as new credits or time extension of existing credits.



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The group is monitoring its capital via liabilities/share capital rate. This rate is calculated by dividing net liabilities to share capital. Net liabilities are calculated by subtracting cash and cash equivalents from total liabilities (stated in balance sheet like credits, financial leasings and trade payables). Total share capital, as stated in balance sheet, is calculated by the sum of owners' equity and net liabilities.

The Group's general strategy which depends on borrowings was not changed compared to previous periods.

The Group risk policy mainly focuses on unpredictability and volatility of financial markets and intends to minimize the probable negative effects through the policies applied.

38.2 Important Accounting Policies

The Group's important accounting policies relating to financial instruments are presented in the Note 2.

38.3 Market Risk

The Group, due to its activities, is exposed to changes in exchange rates (see article 38.4) and interest rates (see article 38.4), and other risks (article 38.5). The Group, as it holds the financial instruments, also bears the risk of other party not meeting the requirements of the agreement. (Article 38.6)

Market risks seen at the level of group are measured according to the sensitivity analysis principle. The market risk of the Group incurred during the current year or the method of handling the encountered risks or the method of measuring those risks are no different from the previous year.

The Group's raw materials are foreign based. Accordingly, production costs are sensitive to the exchange rates. There is possibility of decrease in the Group's profit margin in the case of increasing costs do not reflect to the sale prices because of competitive conditions in the period when foreign currency increases. The forward raw material purchase contracts have been made in order to decrease the adverse effect of fluctuation in prices on the Group's profitability.

38.4 Foreign Currency Risk Management

Transactions in foreign currencies expose the Group to foreign currency risk.

This risk mainly arises from the fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized.

The Group is exposed to foreign currency risk mainly due to bank deposits, receivables and payables in foreign currencies.

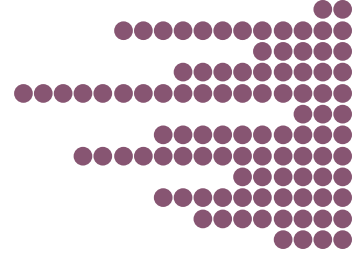
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Foreign Exchange Rate Sensitivity Analysis Table

	December 31, 2013			
	Profit/Loss		Equity	
	Appreciation of Foreign Exchange	Devaluation of Foreign Currency	Appreciation of Foreign Exchange	Devaluation of Foreign Currency
In the event of 10% value change of US Dollar against TL;				
1- US Dollar Net Asset/Liability	13.843.270	(13.843.270)	13.843.270	(13.843.270)
2- The part, hedged from US Dollar Risk (-)	-	-	-	-
3- US Dollar Net Effect (1+2)	13.843.270	(13.843.270)	13.843.270	(13.843.270)
In the event of 10% value change of Euro against TL				
4- Euro Net Asset/Liability	(23.317.993)	23.317.993	(23.317.993)	23.317.993
5- The part, hedged from Euro Risk (-)	-	-	-	-
6- Euro Net Effect (4+5)	(23.317.993)	23.317.993	(23.317.993)	23.317.993
In the event of 10% value change of GBP against TL;				
7- GBP Net Asset/Liability	(3.736.097)	3.736.097	(3.736.097)	3.736.097
8- The part, hedged from GBP Risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	(3.736.097)	3.736.097	(3.736.097)	3.736.097
In the event of 10% value change of Other against TL;				
10- Other Net Asset/Liability	-	-	-	-
11- The part, hedged from Other Risk (-)	-	-	-	-
12- Other Net Effect (10+11)	-	-	-	-
TOTAL	(13.210.820)	13.210.820	(13.210.820)	13.210.820



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Foreign Exchange Rate Sensitivity Analysis Table

	December 31, 2012			
	Profit/Loss		Equity	
	Appreciation of Foreign Exchange	Devaluation of Foreign Currency	Appreciation of Foreign Exchange	Devaluation of Foreign Currency
In the event of 10% value change of US Dollar against TL;				
1- US Dollar Net Asset/Liability	(11.776.171)	11.776.171	(11.776.171)	11.776.171
2- The part, hedged from US Dollar Risk (-)	-	-	-	-
3- US Dollar Net Effect (1+2)	(11.776.171)	11.776.171	(11.776.171)	11.776.171
In the event of 10% value change of Euro against TL;				
4- Euro Net Asset/Liability	3.652.073	(3.652.073)	3.652.073	(3.652.073)
5- The part, hedged from Euro Risk (-)	-	-	-	-
6- Euro Net Effect (4+5)	3.652.073	(3.652.073)	3.652.073	(3.652.073)
In the event of 10% value change of GBP against TL;				
7- GBP Net Asset/Liability	2.551.645	(2.551.645)	2.551.645	(2.551.645)
8- The part, hedged from GBP Risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	2.551.645	(2.551.645)	2.551.645	(2.551.645)
In the event of 10% value change of Other against TL;				
10- Other Net Asset/Liability	-	-	-	-
11- The part, hedged from Other Risk (-)	-	-	-	-
12- Other Net Effect (10+11)	-	-	-	-
TOTAL	(5.572.453)	5.572.453	(5.572.453)	5.572.453

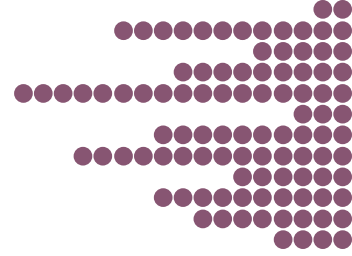
Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2013

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

Table of Foreign Exchange Position

	December 31, 2013				
	TL Value	USD	Euro	GBP	Other
1. Trade Receivables	248.389.994	89.657.553	19.084.960	282.193	-
2a. Monetary Financial Assets	15.834.178	6.624.738	337.869	200.162	-
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	4.748.831	2.078.187	99.868	5.722	-
4. Current Assets Total (1+2+3)	268.973.003	98.360.478	19.522.697	488.077	-
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	32.302	-	11.000	-	-
8. Fixed Assets Total (5+6+7)	32.302	-	11.000	-	-
9. Total Assets (4+8)	269.005.305	98.360.478	19.533.697	488.077	-
10. Trade Payables	28.603.175	12.265.194	763.881	51.955	-
11. Financial Liabilities	288.375.074	83.915.325	31.134.653	5.082.784	-
12a. Other Monetary Liabilities	-	-	-	-	-
12b. Other Non-Monetary Liabilities	2.123.190	615.558	140.221	113.244	-
13. Total Short Term Liabilities (10+11+12)	319.101.439	96.796.077	32.038.755	5.247.983	-
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	25.360.974	5.000.000	5.002.375	-	-
16a. Other Monetary Liabilities	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-
17. Total Long Term Liabilities (14+15+16)	25.360.974	5.000.000	5.002.375	-	-
18. Total Liabilities (13+17)	344.462.413	101.796.077	37.041.130	5.247.983	-
19. Net Asset/(Liability) Position of Derivative Instruments off the Statement of Financial Position (19a-19b)	(56.651.083)	68.296.537	(61.900.000)	(5.880.000)	-
19a. Total Amount of Hedged Assets	234.920.416	104.895.833	3.760.000	-	-
19b. Total Amount of Hedged Liabilities	(291.571.499)	(36.599.296)	(65.660.000)	(5.880.000)	-
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	(132.108.191)	64.860.938	(79.407.433)	(10.639.906)	-
21. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	(132.108.191)	64.860.938	(79.407.433)	(10.639.906)	-
22. The Amount of Hedged part of Foreign Exchange Assets	-	-	-	-	-
23. The Amount of Hedged part of Foreign Exchange Liabilities	-	-	-	-	-
24. Export	1.018.016.930	252.765.308	177.913.707	30.051.000	-
25. Import	1.743.279.198	908.840.120	11.326.178	22.099	-



Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

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

		December 31, 2012			
TL Value	USD	Euro	GBP	Other	
284.285.136	100.478.916	35.785.403	7.320.220	-	
98.877.087	45.734.292	4.689.209	2.202.705	-	
-	-	-	-	-	
3.586.467	1.357.556	496.019	-	-	
386.748.690	147.570.764	40.970.631	9.522.925	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
386.748.690	147.570.764	40.970.631	9.522.925	-	
57.117.040	27.881.494	3.133.762	15.961	-	
379.757.980	192.789.088	15.347.260	-	-	
-	-	-	-	-	
3.839.651	2.028.011	72.654	18.691	-	
440.714.671	222.698.593	18.553.676	34.652	-	
-	-	-	-	-	
2.087.026	-	887.454	-	-	
-	-	-	-	-	
-	-	-	-	-	
2.087.026	-	887.454	-	-	
442.801.697	222.698.593	19.441.130	34.652	-	
328.479	9.066.060	(6.000.000)	(600.000)	-	
16.161.159	9.066.060	-	-	-	
(15.832.680)	-	(6.000.000)	(600.000)	-	
(55.724.528)	(66.061.769)	15.529.501	8.888.273	-	
(55.724.528)	(66.061.769)	15.529.501	8.888.273	-	
-	-	-	-	-	
-	-	-	-	-	
963.124.986	265.084.378	194.365.314	13.922.811	-	
1.849.796.552	1.026.493.330	4.597.646	13.819	504.000	

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Notes to the Consolidated Financial Statements as of December 31, 2013

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

Interest Position Table

Fixed Interest Financial Instruments	December 31, 2013	December 31, 2012
Financial Assets	10.022.864	9.561.986
Financial Liabilities	(458.250.543)	(460.383.137)
Variable Interest Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

The significant part of bank deposits of the Group consists of time deposits. All financial liabilities are short term loans.

Increases in interest rates will result in decreases in the revenues of the Group. In December 31, 2013, if TL interest rate was 1 point higher than the actual one, profit before tax of the Group would be TL 4.482.277 lesser than the actual one. (December 31, 2012: TL 4.508.212)

38.5 Analysis Related to Other Risks

Risks Related to Financial Instruments, Stocks Etc.

Group has no stocks or similar marketable securities evaluated by fair value in the current period.

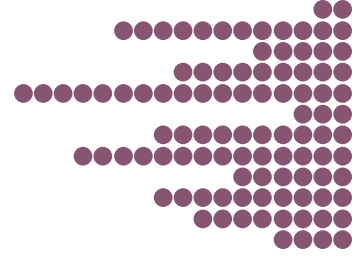
38.6 Credit Risk Management

Possessing financial instruments has the risk of other party's non-performance of the contractual liabilities. Group's payment collection risk mostly arises from trade receivables. Trade receivables must be assessed in accordance with corporate policies and procedures for making net value of trade receivables after provision of doubtful receivables are classified. (Note: 10)

The financial liabilities expose the Group to interest rate risk.

CREDIT TYPES INCURRED IN RESPECT OF FINANCIAL INSTRUMENT TYPES

December 31, 2013	Receivables				Notes	Bank Deposits	
	Trade Receivables		Other Receivables			Notes	Notes
	Related	Other	Related	Other			
Maximum credit risk incurred as of the date of reporting (A+B+C+D)	1.148.492	438.779.160	-	39.787.400		34.231.127	
- The part of maximum risk secured by guarantee etc.	-	29.138.193	-	-	22	-	22
A. Net book value of financial assets which are undue or which did not decline in value	1.148.492	438.779.160	-	39.787.400	10-11	34.231.127	6
B. Net book value of assets, overdue but did not decline in value.	-	-	-	-	-	-	6
- The part secured by guarantee etc.	-	-	-	-	10-11	-	6
C. Net book values of assets declined in value	-	-	-	-	-	-	6
- Overdue (gross book value)	79.606	10.032.082	-	-	10-11	-	6
- Decline in value (-)	(79.606)	(10.032.082)	-	-	10-11	-	6
- The part of net value secured by guarantee etc.	-	-	-	-	10-11	-	6
- Undue (gross book value)	-	-	-	-	10-11	-	6
- Decline in value (-)	-	-	-	-	10-11	-	6
- The part of net value secured by guarantee etc.	-	-	-	-	10-11	-	6
D. Elements containing credit risk off the balance sheet	-	-	-	-	-	-	



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CREDIT TYPES INCURRED IN RESPECT OF FINANCIAL INSTRUMENT TYPES

December 31, 2012	Receivables				Notes	Bank	
	Trade Receivables		Other Receivables			Deposits	Notes
	Related	Other	Related	Other			
Maximum credit risk incurred as of the date of reporting (A+B+C+D)	266.028	435.027.514	95.298	33.777.899		49.905.698	
- The part of maximum risk secured by guarantee etc.	-	101.795.230	-	-	22	-	22
A. Net book value of financial assets which are undue or which did not decline in value	266.028	435.027.514	95.298	33.777.899	10-11	49.905.698	6
B. Net book value of assets, overdue but did not decline in value.	-	-	-	-		-	6
- The part secured by guarantee etc.	-	-	-	-	10-11	-	6
C. Net book values of assets declined in value	-	-	-	-		-	6
- Overdue (gross book value)	79.606	7.310.404	-	-	10-11	-	6
- Decline in value (-)	(79.606)	(7.310.404)	-	-	10-11	-	6
- The part of net value secured by guarantee etc.	-	-	-	-	10-11	-	6
- Undue (gross book value)	-	-	-	-	10-11	-	6
- Decline in value (-)	-	-	-	-	10-11	-	6
- The part of net value secured by guarantee etc.	-	-	-	-	10-11	-	6
D. Elements containing credit risk off the balance sheet	-	-	-	-		-	

38.7 Liquidity Risk Management

Group manages liquidity risk by matching maturities of assets and liabilities with regular control of cash flows and providing permanence in adequate funds and reserves.

Liquidity Risk Statements

Liquidity risk management involves having adequate cash, and power of offsetting fund resources with adequate loan.

Risk of funding current and future possible loan requirements should be managed by providing permanent access to adequate and quality loan providers.

Following statement indicates maturity allocation of Group's derivative and non-derivative financial liabilities

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December 31, 2013

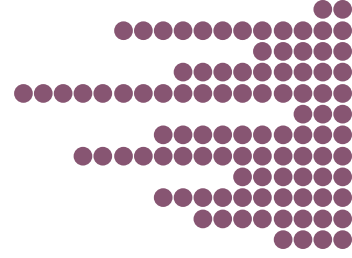
Expected Terms	Book Value	Cash Outflows Total As Per Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	512.722.525	519.323.552	256.208.016	236.286.252	27.422.433	-
Loans	457.279.806	463.670.637	200.653.297	235.594.907	27.422.433	-
Issued debt instruments	-	-	-	-	-	-
Financial Lease Liabilities	970.737	1.005.951	376.775	629.176	-	-
Trade Payables	49.724.812	50.492.943	50.430.774	62.169	-	-
Other Payables	4.747.170	4.154.021	4.747.170	-	-	-
<i>Related Parties</i>	81.650	116.250	81.650	-	-	-
<i>Other</i>	4.665.520	4.037.771	4.665.520	-	-	-

Derivative Financial Instruments	Book Value	Cash Outflows Total As Per Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
<i>Derivative Cash Flow</i>	302.878.012	302.878.012	74.894.325	180.064.487	47.919.200	-
<i>Derivative Cash Outflow</i>	304.171.499	304.171.499	75.587.219	181.766.880	46.817.400	-
Net Derivative Financial Instruments	(1.293.487)	(1.293.487)	(692.894)	(1.702.393)	1.101.800	-

December 31, 2012

Expected Terms	Book Value	Cash Outflows Total As Per Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	607.930.346	614.343.147	291.113.390	322.522.989	706.768	-
Loans	458.296.110	464.200.045	191.563.887	272.636.158	-	-
Issued debt instruments	-	-	-	-	-	-
Financial Lease Liabilities	2.087.027	2.237.986	681.465	849.753	706.768	-
Trade Payables	143.417.466	143.775.373	94.738.295	49.037.078	-	-
Other Payables	4.129.743	4.129.743	4.129.743	-	-	-
<i>Related Parties</i>	100.341	100.341	100.341	-	-	-
<i>Other</i>	4.029.402	4.029.402	4.029.402	-	-	-

Derivative Financial Instruments	Book Value	Cash Outflows Total As Per Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
<i>Derivative Cash Flow</i>	34.409.992	34.409.992	19.149.643	10.617.994	4.642.355	-
<i>Derivative Cash Outflow</i>	33.838.610	33.838.610	18.436.827	10.698.383	4.703.400	-
Net Derivative Financial Instruments	571.382	571.382	712.816	(80.389)	(61.045)	-



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NOTE 39 FINANCIAL INSTRUMENTS (DECLARATIONS WITHIN THE CONTEXT OF FAIR VALUE AND HEDGING)

Group claims that book values of financial instruments reflect fair values.

Objectives of Financial Risk Management

Group's Department of Finance is responsible for adequate access to financial market and managing financial risks arising from the operational activities of the Group. Financial risks of operation contain market risk (currency rate risk, fair value of interest risk and price risk), loan risk, liquidity risk and cash flow interest rate risk.

In order to decrease the effect of risk and avoiding financial risk, Group uses forward foreign currency transaction agreements as a financial instrument. The group has option transactions in order to reduce the foreign currency risk and to finalize these risks that can occur in the market.

NOTE 40 EVENTS AFTER BALANCE SHEET DATE

None.

NOTE 41 OTHER ISSUES

- Group has preferred to measure its investment properties with fair values in the financial statements in accordance with IFRS 40 Investment Property Standard section 30, which provides an option for the company to choose the accounting policy to be applied. Due to this method properties have been recognized with fair value in the statement of financial position, valuation gains calculated have been associated with period profit of 2012 and previous years financial statements or other comprehensive income in accordance with the IFRS 40 section 62 judgement (Note: 17). In financial statements prepared as per Tax Procedural Law, investment properties have been recognized at cost value and evaluation gains related to real estate were recorded as fixed asset sales income. TL 39.173.509 income on sales of Sarkuysan Ak Merkez, that was classified as investment property by the Group, is included in the period profit before tax, which is TL 63.079.286 in the financial statements for the period January 1, 2013 - December 31, 2013, which were prepared in accordance with Tax Procedure Law regulations.

Directory

Head Office

Address Emek Mahallesi Aşıroğlu Caddesi
No: 147 41700 Darıca / KOCAELİ
/ TURKEY
Tel (90 262) 676 66 00 (20 lines)
Fax (90 262) 676 66 80
(90 262) 676 66 81
(90 262) 676 66 83
E-mail info@sarkuysan.com
Web Site www.sarkuysan.com

Factory

Address Beylikbağı Mahallesi
Çelikoğlu Caddesi No: 155
41401 Gebze / KOCAELİ /
TURKEY
Tel (90 262) 653 26 04 (3 lines)
(90 262) 653 27 52 (7 lines)
(90 262) 653 45 07 (4 lines)
Fax (90 262) 653 55 12
(90 262) 653 27 59
E-mail plant@sarkuysan.com

Sales Store

Address Perpa İş Merkezi, A Blok
7. ve 8. Kat, No: 733-735 34350
Okmeydanı / Şişli / İSTANBUL /
TURKEY
Tel (90 212) 222 45 96 (2 lines)
Fax (90 212) 221 98 77
E-mail sksper@sarkuysan.com

Branch

Aegean Free Zone Branch

Address Ege Serbest Bölgesi
Nilüfer Sokak No: 19
Gaziemir / İZMİR / TURKEY
Tel (90 232) 251 57 51
(90 232) 258 00 26
Fax (90 232) 251 72 78
E-mail sksege@sarkuysan.com

Representative Office

Sarkuysan S.P.A.

Address Via Caracciolo 30
20155 Milano / ITALY
Tel (0039) 0234592237
Fax (0039) 0234592189
E-mail italia@sarkuysan.com

Subsidiaries and Affiliates

Demisaş Döküm Emaye Mamulleri San. A.Ş.

Head Office

Address Emek Mahallesi Aşıroğlu Caddesi
No: 147 41700 Darıca / KOCAELİ
/ TURKEY
Tel (90 262) 677 46 00 (pbx)
Fax (90 262) 677 46 99
Web Site www.demisas.com.tr

Factory

Address Vezirhan Beldesi, (11130) /
BİLEÇİK / TURKEY
Tel (90 228) 233 10 14
Fax (90 228) 233 12 46
E-mail info@demisas.com.tr

Sarmakina San. ve Tic. A.Ş.

Head Office and Factory

Address Beylikbağı Mahallesi 343 Sokak
No: 3 41700 Gebze / KOCAELİ /
TURKEY
Tel (90 262) 653 90 82 (pbx)
Fax (90 262) 653 90 89
E-mail info@sarmakina.com.tr
Web Site www.sarmakina.com.tr

Sarda Dağıtım ve Tic. A.Ş.

Address Bankalar Caddesi
İletim Şark Han No: 16 Kat: 5-6
34420 Karaköy
Beyoğlu / İSTANBUL / TURKEY
Tel (90 212) 252 88 34 (pbx)
Fax (90 212) 251 25 24
E-mail sarda@sarkuysan.com

Bektaş Bakır Emaye Kablo San. ve Tic. A.Ş.

Address Emek Mahallesi Aşıroğlu Caddesi
No: 147 41700 Darıca / KOCAELİ
/ TURKEY
Tel (90 262) 676 66 95
Fax (90 262) 676 66 85
E-mail bektasemaye@sarkuysan.com

Bemka Emaye Bobin Teli ve Kablo Sanayi A.Ş.

Head Office and Tuzla Factory

Address Birlik Organize Sanayi Bölgesi
Batı Caddesi No: 4
34953 Tuzla / İSTANBUL /
TURKEY
Tel (90 216) 593 27 27 (pbx)
Fax (90 216) 593 27 33
E-mail info@bemkawire.com.tr
Web Site www.bemkawire.com.tr

Gebze Factory

Address Beylikbağı Mahallesi 343 Sokak
No: 6 41401 Gebze / KOCAELİ /
TURKEY
Tel (90 262) 653 20 20 (pbx)
Fax (90 262) 654 29 85

Germany Office

Address Höfestr.25, D-30163
Hannover / GERMANY
Tel +49 (0) 511 97811790
Fax +49 (0) 51197811797

Italy Office

Address Via Caracciolo, 30
20155 Milano / ITALY
Tel +39 (02) 34592237
Fax +39 (02) 34592189
E-mail bemka@bemka.it

Sark - USA, Inc.

Address 120 Industrial Park Road Albany,
NY 12206 USA
Tel 001 518 453 4199
Fax 001 518 453 4166
E-mail marketing@sark-usa.com
Web Site www.sark-usa.com

Sark Wire Corp.

Address 120 Industrial Park Road Albany,
NY 12206 USA
Tel 001 518 453 4199
Fax 001 518 453 4166
E-mail marketing@sark-usa.com
Web Site www.sarkwire.com

