‘11 annual report

sarkuysan
Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

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	TL100.000.000,00
Paid-up Capital	TL50.000.000,00
Web Site	www.sarkuysan.com

The 40th Ordinary General Meeting of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Date	25 May 2012, Friday
Time	14:30
Venue	Sarkuysan Elektrolitik Bakır San. ve Tic. A.Ş. Head Office Emek Mahallesi Aşıroğlu Cad. No: 147 Darıca-Kocaeli/TURKEY

AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

1. Opening and election of the Council and to empower the Council for signing the minutes of the meeting on behalf of the General Meeting,
2. To read and to discuss the Report of the Board of Directors for the year 2011,
3. To read and to discuss the Report of the Board of Auditors,
4. To read the Report of the Independent Auditors,
5. To read, to discuss and to ratify the Consolidated Balance Sheet and Income Statement for the year 2011 along with the proposal of the Board of Directors on the distribution of the profit for the year,
6. To acquit the Board of Directors,
7. To acquit the Auditors,
8. To present information to the shareholders on the donations made by the Company in 2011,
9. To present information to the shareholders on pledges, guarantees and mortgages related with the Company,
10. To present information to the shareholders on the remuneration principles of the Board of Directors and senior officers,
11. Further to the Capital Markets Board's communiqué Serial: IV, nr.56, to make a resolution concerning the amendment of the 8th, 9th, 12th, 20th and 29th articles of the Articles of Incorporation and the addition of 30th article by the Board Resolution nr.1321/12.11 dated 10.04.2012,
12. Further to the Capital Markets Board's communiqué Serial: IV, nr.56, election of the two independent directors nominated by corporate governance committee and ratified by the board of directors and to determine their term of Office,
13. To determine the salaries and benefits of the members of the Board of Directors,
14. To elect the auditors and to determine their salaries,
15. To empower the members of the Board of Directors to practise the transactions under the 334th and 335th articles of the Turkish Commercial Code,
16. Wishes and proposals, the meeting adjourns.

CONTENT

About us

Sarkuysan supplies a wide spectrum of 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 colour to our lives.

Sarkuysan not only offers employment opportunities to many people but with its tax payments and distribution of dividends and foreign currency revenues, creates added value for the country’s economy as well. Today Sarkuysan is a dynamic and enterprising Global Corporation truly publicly owned with its modern production and management structure.

History

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).

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

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

The Company has a special place in the history of industrialization of the country as the first successful publicly held corporation. The production plants of Sarkuysan are located in Gebze and Darıca, 40 kilometres from Istanbul on an area of 175.000 square metres with a covered area of over 77.000 square metres. It is in these plants that electrolytic copper products, copper tube and bus bars are produced. The Company increased annual production capacity to over 200.000 tonnes which was 10.000 tonnes at the initial stage. The Company's products are the standard input materials of several industries including electro technique, electronic, motor, communication, power generation and distribution, solar and renewable energy, home appliances, measurement instruments, defence, automotive, chemical, construction, heating, air-conditioning and sanitary plumbing. The Company carries out its activities in accordance with 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, and exports approximately half of its products to over 40 countries in five continents. It is estimated that a significant number of the autos and commercial vehicles produced in Europe use Sarkuysan's wires. For many years the Company has also been selling oxygen free and nickel plated copper wires to the suppliers of NASA and in recent years to other aerospace industries.

The Company has over 600 employees. Nearly 90 percent 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 used in the production process. In addition, a considerable portion of power and steam requirement of the Company is generated at the power generator on site. Sarkuysan, utilizing its own know-how and technological information accumulated during a period of over 30 years, obtains successful results both at home and abroad.

Sarkuysan is a group of companies, consisting of SARMAKİNA A.Ş., active in the field of manufacturing 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 industry, SARDA A.Ş. a marketing and sales company of Sarkuysan products and BEKTAŞ A.Ş. an affiliated company in Bemka A.Ş., the enamelled copper wire manufacturer. In line with its intensive export sales marketing efforts, Sarkuysan has a branch, Sarkuysan S.P.A., in Italy and sales and marketing incorporation, 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 has become 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 as well.

The Company, for example, contributed to the cultural legacy by restoring the historical Frej Han building, used as the Company headquarters for many years. 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; in health by allocating funds every year for the purchase of much needed medical equipment to be donated to state hospitals; and in sports by sponsoring its table tennis team which often represents the country in the European Cup Winners' Championship. In the arts, Sarkuysan has contributed with folklore and modern dance groups as well as with its Turkish Music Chorus made up of our employees. And lastly in environmental projects, the Company has helped with various reforestation works. Through these and other international events and organizations related to its sector, Sarkuysan aims to be socially responsible and help promote the country.

In addition, Sarkuysan, as the Turkish Coordinator of "European Copper Institute", distributes technical publications to 5.500 establishments in the power and telecommunication industries, thus the Company plays an active role in the dissemination of Information to the public.

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 colour 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.

The operational and financial results achieved by Sarkuysan in 2011 confirm the success of the strategies implemented by the Company.

Sarkuysan will continue to be a prominent trademark of Turkey in the international markets during the following year as well while creating more value for all its stakeholders.

Chairman's Message

In 2011, our Company realized production and sales results approaching set targets even under the then current economic circumstances.

Hayrettin ÇAYCI
Chairman

Dear Shareholders,

Welcome to **the 40th Ordinary General Meeting of the Company.** I respectfully salute all of you.

I am glad to be with you again this year on the occasion of our General Meeting.

I would like to touch on the general state of the economy over the year 2011 in short.

Undoubtedly, the most striking global economic fact of 2011 has been the public debt crisis that shook the Euro zone. The deadlock which prevented the solution of the issue has continued well into 2012 with the crisis deepening by a contagion to other Euro zone countries. As a result, the credit ratings of nine countries, including France, Italy, Spain and Austria, the leading economies of Europe have been downgraded which caused great concern in the beginning of the New Year. The distress of our neighbour Greece, which turned into a catch-22 situation, is a concrete and bitter example of the crisis. The partial recovery which commenced in the global economy in 2010 caused hopes to rise with an expectation that recovery will continue by gaining pace in 2011. However, this hope unfortunately has not materialized and general economic data indicated a table of stagnation. Despite the fact that these negative developments in the global economy disturbed the markets in Turkey, the economy of the country has been in a more robust condition when particularly compared to developing countries and other European economies thanks to a high growth rate of 8,5% and a sustainable fiscal discipline. Positive aspects of the economy include US$135 billion in export revenues, a budget deficit which dropped to about 1%, public sector deficit which remained at around 40% and decreasing unemployment levels. However, the biggest nightmare hanging over the economy is the current account deficit which continues on at an unacceptable ratio despite it follows a relative narrowing trend in recent months. Apart from these, another negative surprise came as the annual inflation reached 10,5% which was above targets and expectations. Also savings rate of the country dropped down to around 12% and the ratio of the total deposits to national income remained at about 40% which causes the cash requirement of the domestic economy to be met by foreign funds and debts. This absolute necessity can be sustained by the attraction of high interest rates and as a result, the bank credits rates have been climbing rapidly, which consequently increases the financial burden of the real sector. This increase in the financing of the exports dents our competitive edge against our competitors in the developed countries. For this reason, measures to increase savings and incentives are urgently required. As a matter of fact, savings inclinations in the developed countries are at least twice as high as ours.

In 2011, our Company realized production and sales approaching set targets in the then current economic circumstances. However, due to the high requirement of operating capital and the intensive use of bank loans caused foreign exchange rate differences and the fact that exchange rate difference stemming particularly from the spikes in the US$ exchange rate is recorded as expenditures has negatively affected the profitability. The sale of the building in Sishane which was formerly used as the Head Office at a good price for US$30,5 million could partially balance the above mentioned negative developments. The revenue from this sale will be distributed to our shareholders as bonus shares in the event that our proposal included in our agenda today to increase our capital from TL50 billion to 100 billion is approved. This is a further evidence of the care and value which we extend to our shareholders.

In 2011, copper raw material prices had suffered severe fluctuations in the metal exchange. Great efforts have been made in order not to be negatively affected from these unstable price movements.

Another important matter that I would like to point out is that some parts of our sales are on toll conversion basis. We have been processing the scrap, ingot and other recycled copper and delivering to the customer as finished products on toll conversion basis. Despite the fact that sales on this basis decrease our turnover, it creates foreign exchange savings since it decreases the requirement of copper imports. Also it decreases considerably our bank loan requirements. In 2011, the toll conversion production has a 16% share within the total sales. There have been times that this percentage climbed nearly to 20%.
There are two main questions which will give direction to our economy in 2012:

1) As almost half of total export sales are made to the Euro zone, how will the potential negative effect of the Euro zone crisis on our exports be compensated?
2) As the financial structure in the Euro zone which is undergoing hard times may stop or slow down the loan flow into our country, from where will our bank be able to find financial sources?

Solutions to the issues in these macro levels will be determining and effective on the operations of the companies. Also the downsizing of the growth forecasts for 2012 for the global economy by the international institutions is a hint that we shall experience a difficult year.

As a result according to the legal book records, our Company has recorded a gross profit in the amount of TL44.934.365,- for the year 2011. The net profit after deducting the taxes is TL44.163.182. In this report our financial tables are disclosed having been consolidated with the financial tables of our subsidiaries and affiliates.

I would like to thank all our officers and employees who worked and sacrificed in this period of uncertainty and crisis without being discouraged.

Also I would like to remember all the members of our society who passed away, particularly our deceased Chairman, Mr. Cihan Bektas. I wish that our General Meeting will be for the good of our Company.

Yours faithfully,

Mr. Hayrettin CAYCI
Chairman

Board of Directors

Standing (from left to right) **Fuat SUCU** - Vice Chairman, **Semih Yardım** - Director, **Didem ERKAN** - Director, **Aykut Menetlioğlu** - Director, **Hamit Mücellit** - Director, **A.Hamdi BEKTAŞ** - Director

Seated (from left to right) **Köksal AHISKA** - Director, **Hayrettin ÇAYCI** - Chairman**, Maksut URUN** - Director

Term of Office:
May 2011- May 2014

Authority:
Stated by the Turkish Commercial Code and Articles of Incorporation

Board of Auditors

Mehmet Faik ÖZBOYACI
Auditor

Mustafa ÜLSEVEN
Auditor

Turgay ŞOHOĞLU
Auditor

Term of Office:
May 2009- May 2012

President

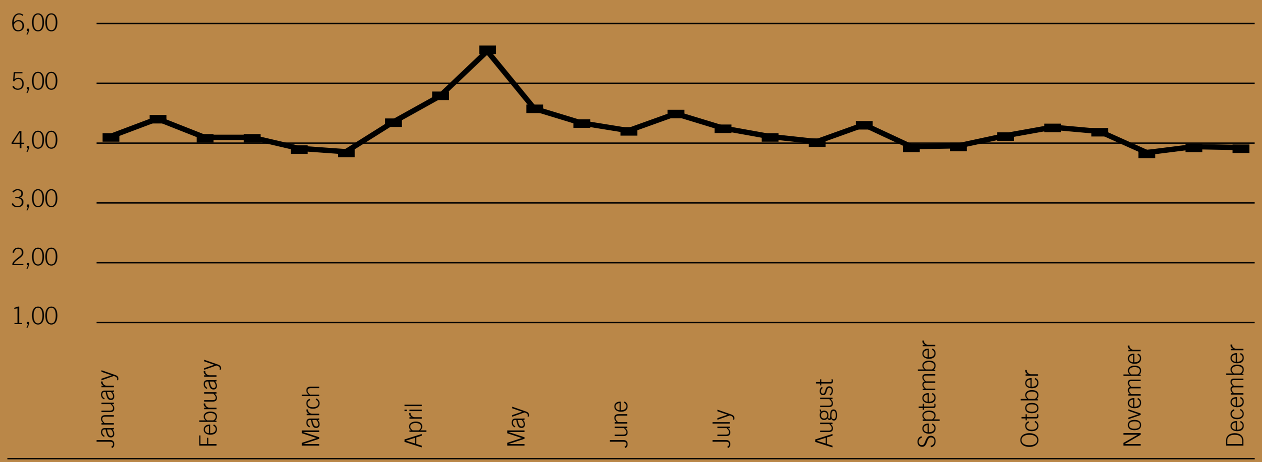
Hayrettin ÇAYCI
President

Management

Hayrettin ÇAYCI	President M.Sc. Metallurgical Engineer
Doğan ÇAKIR	Vice President (Domestic Trade) M.Sc. Metallurgical Engineer
Sevgür ARSLANPAY	Vice President (Technical) Chemical Engineer
Erhan AKBAŞ	EDP Manager System Analyst
Sabri ATİLLA	Administrative Operations Manager Business Administrator
Murat AYMAN	Maintenance Manager Marine Engineer
Ömer CANIBEYAZ	Purchasing Manager Mechanical Engineer
Murat DOĞANÇA	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 GÜNDAĞ	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 - 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 SÜRMELİ	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 2011 (TL)



While a company share was TL4,07 on 31.12.2010 on the Istanbul Stock Exchange, the price of the company share followed a trend similar to the market indices due to the negative economic developments in both domestic and international markets and closed the year at TL3,94.

Financial Highlights

(TL thousand)	2007	2008	2009	2010	2011
Registered Capital	100.000	100.000	100.000	100.000	100.000
Paid-up Capital	50.000	50.000	50.000	50.000	50.000
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	45.732	45.732
Capital Increase (%)	-	-	-	-	-
Capital Injection in Cash (%)	-	-	-	-	-
Bonus Shares (%)	-	-	-	-	-
Share Price as at Year End (TL)	3,20	1,47	2,70	4,07	3,94
Addition of Fixed Assets over the Year	7.888	12.173	14.282	1.949	4.275
Amount of Distributed Dividends (Gross)	11.765	11.765	-	5.000	7.500
Amount of Distributed Dividends (Net)	10.000	10.000	-	4.250	6.375
Dividend Rate (Gross) (%)	23,52	23,52	-	10	15
Dividend Rate (Net) (%)	20	20	-	8,50	12,75

Capital Shares

Shares	TL	Number of Shares	Shareholding %
Group A – Registered	5,-	500	0,00001
Group B- Bearer	49.999.995,-	4.999.999.500	99,99999
Total	**50.000.000,-**	**5.000.000.000**	**100,00000**

The Annual Report covers the period from 01.01.2011 to 31.12.2011

During this period, special cases related with the Company were made public and announced on our website to our shareholders. First of all, the negotiations for the Collective Labour Agreement for the period of 01.09.2010 and 31.08.2012 could not reach an agreement during January and February between the parties, and for this reason, strike and lockout phases followed. However, on 15.04.2011 a collective labour agreement between the workers union Birleşik Metal –İş Sendikası and employers association, Türkiye Metal Sanayicileri Sendikası "MESS" was executed and came into force.

The Ordinary General Meeting of the shareholders for the year 2010 was held on 12.05.2011 at the Meeting Hall of the Company Head Office Building at the address of Emek Mahallesi, Aşıroğlu Caddesi, No:147 Darıca/Kocaeli. At this meeting, due to the election of the Board of Directors, firstly, A and B Group shareholders met and nominated directors who were elected at the Ordinary General Meeting. As a result, the nominees who got the most votes were elected as directors, including Hayrettin ÇAYCI, Fuat SUCU, Köksal AHISKA, Maksut URUN, Hamit MÜCELLİT, Ahmet Hamdi, BEKTAŞ, Aykut MENETLİOĞLU, Didem ERKAN and Semih YARDIM. During this General Meeting, it was decided to distribute 15% gross and 12,75% net dividend out of the net profit of the year 2010 in the amount of TL11.114.607,09.

At the meeting of the Board of Directors on 08.06.2011, Fuat SUCU and Hamit MÜCELLİT were elected to the Audit Committee and Hamit MÜCELLİT, Emine GÜNDAĞ and Rıza YEŞEREN were elected to the Corporate Governance Committee.

Sarkuysan Trade Centre, our building which was commissioned in 1991 and used as the Company head office for almost 30 years was sold to Park Elektrik Üretim Madencilik San. ve Tic. A.Ş. for US$30,5 million on 19.08.2011. In accordance with the 5th Article, sub section "e" of the Corporate Tax Legislation No.5520, after applying exemption, 75% of the sales revenue was taken into a special fund account subject to be added to the capital and 25% was added to the profit to be distributed to the shareholders.

By the Communiqués of Capital Markets Board Serial: IV, number 56 published in the Official Gazette dated 30.12.2011 and Serial IV, number 57 published in the Official Gazette dated 11.02.2012 together with The Press Release of Capital Markets Board dated 11.02.2012, the corporate governance principles were revised and implementation of several items included in the above mentioned Communiqués were made compulsory for publicly quoted companies such as ours. In accordance with these, the 8th Article titled BOARD OF DIRECTORS of the Articles of Association was amended to add "2 independent directors" and the 9th Article titled MEETINGS OF THE BOARD OF DIRECTORS was amended to state "the majority of the directors must be present" instead of "at least one director more than the half of the total number of directors" must be present at the meetings of the board of directors. Since the 12th Article titled AUDITORS will be cancelled in accordance with the new Turkish Commercial Code which will come into force on 01.07.2012, the term of office of the auditors which is 3 years to cover 2012 was reduced to 1 year. The 20th article titled NOTICES was amended to indicate that Invitation to the General Meeting is made 3 weeks prior to the date of the General Meeting in line with the new Turkish Commercial Code and Corporate Governance Principles. In accordance with the provisions of the Corporate Governance Principles regulated by the Capital Markets Board, a new text titled COMPLIANCE TO THE CORPORATE GOVERNANCE PRINCIPLES was included into the 29th Article and the former 29th Article titled Miscellaneous Provisions was re-numbered as 30th Article.

The Board of Directors held 39 meetings during 2011 and these meetings were attended by a majority of all the Directors.

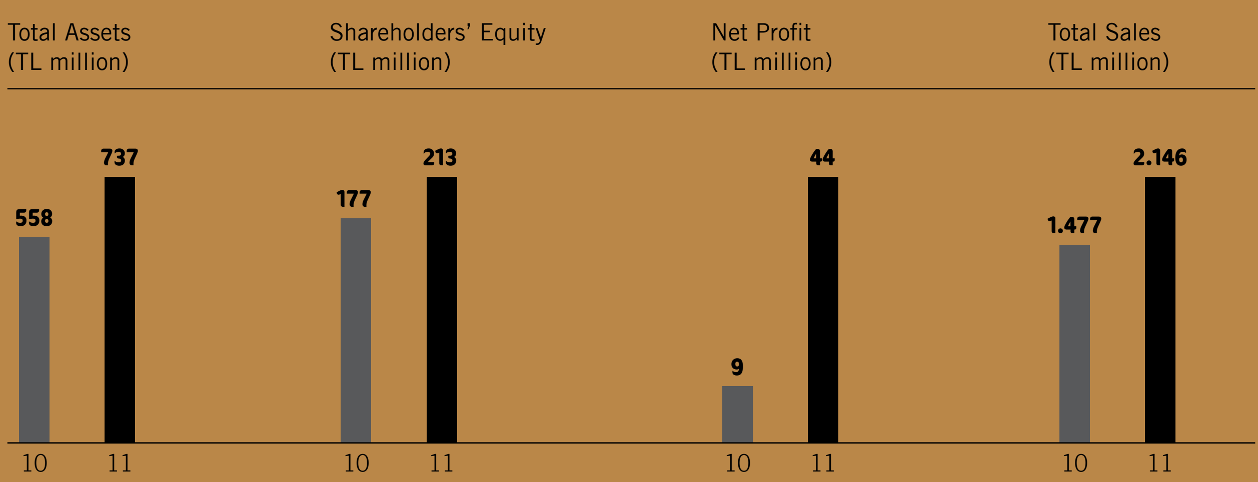
During the General Meetings the shareholders has one voting right for each share owned. The Company is wholly publicly owned and as of 31.12.2011, the shareholdings of Mr. Hayrettin ÇAYCI, Mr. A. Hamdi BEKTAŞ, Mr. Aykut MENETLİOĞLU, Mr. Maksut URUN and Mr. Fuat SUCU, among the Directors of the Company, are 5,75%, 2,16%, 1,56%, 0,97% and 0,95% respectively. The shareholdings of each of the other Directors are below these percentages. As of 31.12.2011, the Company shares ratio in actual circulation was 64,92%.

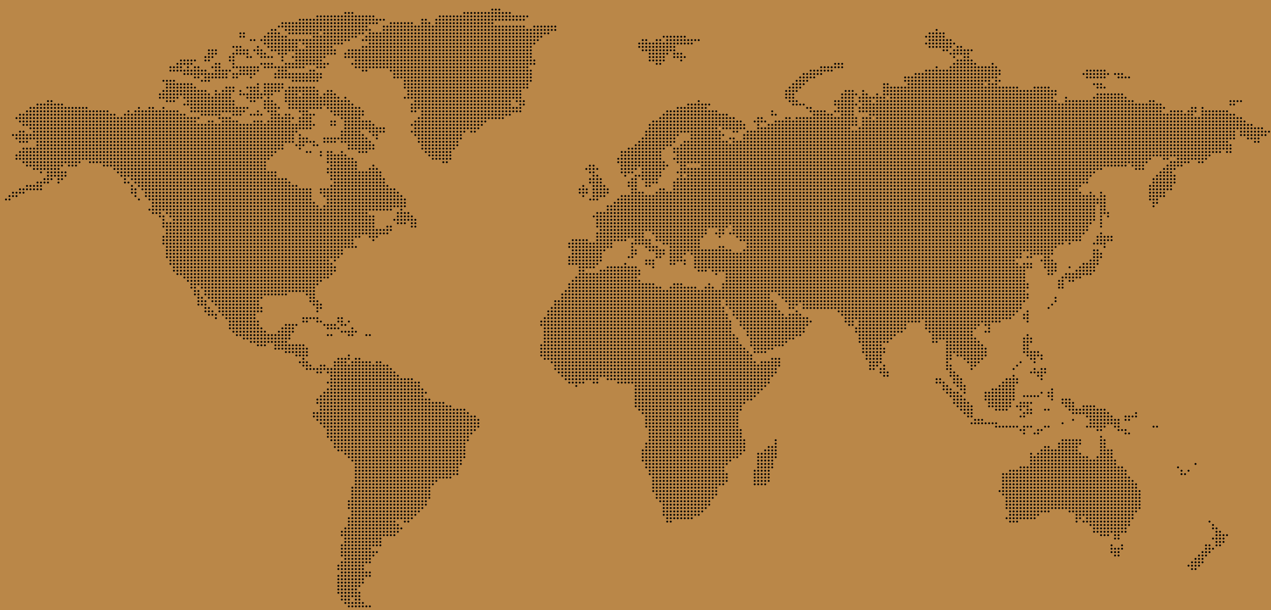
Main Indicators and Ratios

Main Indicators* (TL thousand)	2010	2011	Change %
Total Assets	558.585	736.529	31,85
Total Shareholders' Equity and Liabilities	176.878	212.982	20,41
Total Sales	1.477.215	2.145.663	45,25
Domestic Sales	897.501	1.332.439	48,46
Export Sales	579.714	813.224	40,28
Net Profit	9.305	44.163	374,62

Main Financial Ratios** (%)	2010	2011
Liquidity		
Current Ratio (Current Assets/ Short-Term Liabilities)	1,20	1,23
Liquidity Ratio (Current Assets-Inventory/Short-Term Liabilities)	0,83	1,04
Ratios for Financial Position		
Total Debts/Total Equity	1,49	1,93
Short-Term Liabilities / Total Assets	0,58	0,64
Profitability		
Pre-tax Profit / Sales	0,89	1,41

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





A global star with export sales to 40 countries in 5 continents

We are Number 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 2011 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 4 Disamatic Lines where the production takes place. 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. The annual production capacity of the Company is 80.000 tonnes, nearly 51% of which is exported primarily to Western Europe. Production and sales in 2011 reached 59.428 tonnes and 60.183 tonnes respectively.

Sarda Dağıtım ve Ticaret A.Ş.
Established in 1979 in Istanbul, the Company handles a portion 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.

Sarmakina San. ve Tic. A.Ş.
The Company successfully continues to manufacture steel and plastic 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 aluminium 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.

Bektaş Bakır Emaye Kablo San. ve Tic. A.Ş.
The Company, merged with Emsan A.Ş., Kavi A.Ş. and Botel A.Ş. in 2002 to create Bemka Emaye Bobin Teli ve Kablo Sanayi Ticaret A.Ş., the biggest enamelled copper winding wire factory in Turkey, currently with a capital of TL35.000.000,00 and for this reason, Bektaş A.Ş. stopped production in 2003. Bemka A.Ş. started operation soon after the merger and continuously increased the demand potential for its products thanks to their superior quality and active marketing policy both in the domestic and international markets. Bektaş A.Ş. has a 17% stake in Bemka A.Ş.

Sark - USA, Inc.
Incorporated with the aim of marketing Sarkuysan products directly in the US market. The capital of the Company is US$100.000,00.

Sark Wire Corporation
Incorporated in Albany,New York in the USA, Sark Wire Corporation, whose 60% capital is owned by our Company, commenced production of a wide range of electrolytic copper conductors on 15.12.2009. Its capital is US$8.000.000,00.

Subsidiaries and Affiliates

(TL thousand)	2007	2008	2009	2010	2011
Demisaş Döküm Emaye Mamulleri Sanayi A.Ş.					
Paid-up Capital	28.000	28.000	28.000	28.000	28.000
Our Shareholding	12.444	12.444	12.444	12.444	12.444
Shareholding Rate (%)	44,44	44,44	44,44	44,44	44,44
Bektaş Bakır Emaye Kablo Sanayi ve Tic. A.Ş.					
Paid-up Capital	4.250	4.250	5.500	5.500	5.500
Our Shareholding	3.889	3.889	3.889	3.889	3.889
Shareholding Rate (%)	91,50	91,50	70,71	70,71	70,71
Sarda Dağıtım ve Tic. A.Ş.					
Paid-up Capital	6.000	6.000	6.000	6.000	6.000
Our Shareholding	5.998	5.998	5.998	5.998	5.998
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
(US$ thousand)					
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 (formed in 2008)					
Paid-up Capital		5.000	5.000	8.000	8.000
Our Shareholding		3.000	3.000	4.800	4.800
Shareholding Rate (%)		60	60	60	60

Annual Operations 2011

Sales

Following the recovery period in 2010, the second wave of the global financial crisis not only affected companies but also the countries as a whole. Our country has not been involved in this turmoil, which was particularly felt in the Euro zone. However, in these volatile market conditions meticulous steps were taken in the light of our knowledge and experiences and necessary instruments were used to protect against risk exposure concerning both raw material purchases and product sales.

Under the circumstances, as a result of the active sales policy and by virtue of our top quality products, the sales reached 153.414 tonnes. The Company's export sales reached $480.446.059, while domestic sales proceeds were TL1.332.438.774.

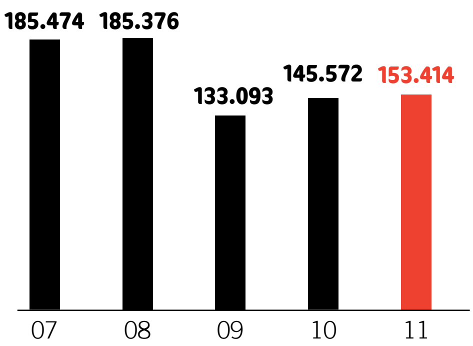
In 2011, Sarkuysan exported its products to various countries in EU, America, Eastern Europe, Africa, and Middle East. The Company participated in various exhibitions and fairs both abroad and at home to promote sales during the year. Among these are the following:

Exhibitions in 2011

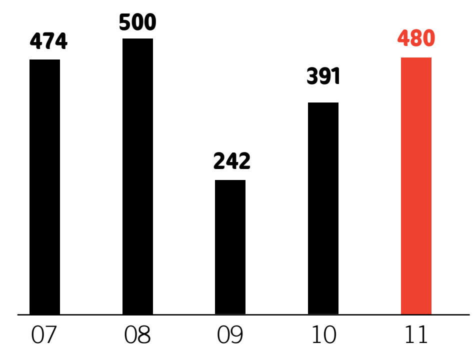
Domestic Exhibitions
07-09 April 2011 – The 4th Cable and Wire Exhibition / CNR Expo Center – Istanbul

International Exhibitions
08-10 February 2011 Middle East Electricity / Dubai – UAE
03-05 May 2011 Interwire 2011 / Atlanta – USA

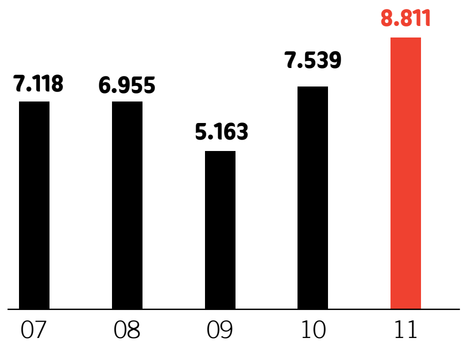
Sales (tonnes)



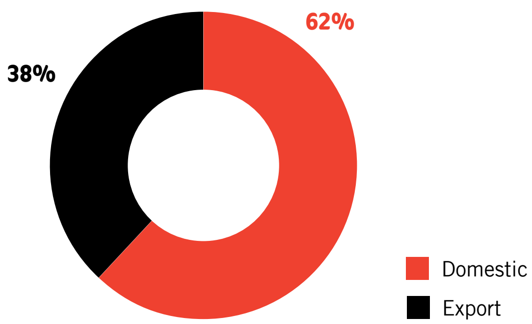
Export Sales (US$ million)



LME Copper Prices US$/tonnes (Annual Averages)



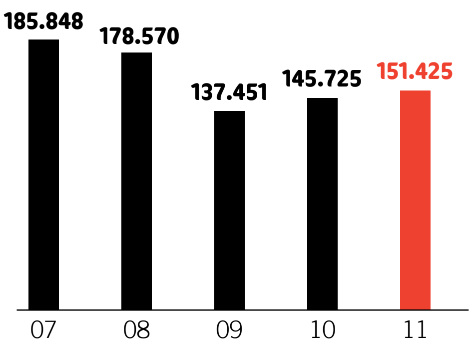
Distribution of Sales Turnover (%)



+153
annual sales turnover
exceeding 153.000 tonnes

Investment projects
focused on
high value added
products

Production (tonnes)



Investments

The Company continued investment projects which were deemed necessary in 2011 as well. Particularly by taking into consideration the intensive competitive climate in our industry, investment projects focused on the high value added products. Utmost care was given in order for the machineries and plants which were commissioned during the year to possess the latest technologies.

By virtue of these investments, the product range was broadened thereby contributing positively towards meeting the customer requirements. In addition, volumes of sales to cooling and heating industries were increased.

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, particularly for the automotive industry.

At our copper tube plant, a complete machinery park investment was completed for bigger diameter tubes with thick wall thickness, which will again broaden our product range. It will come on stream in early 2012.

In addition, as the Company adopts the principle of production by respecting the environment, the gas emission filtration systems were modernized with the addition of new filtration units and thereby the efficiency was increased with the implementation of the most current technologies. Online emission measurement devices were mounted on the filtration system for continuous monitoring.

Our Production Plant in the USA: Sark Wire Corporation

Incorporated in Albany, New York in the USA, Sark Wire Corporation, whose 60% capital is owned by our Company, completed the assembly of the state-of-the-art machinery in their plant and commenced production of a wide range of high value added electrolytic copper conductors and other electrolytic copper products towards the end of 2009. In 2011, Sark Wire, with the quality level achieved, is a corporation whose products are in high demand in the US market. All of the operations of Sark Wire are carried out in compliance with the requirements of ISO 9001 Quality Management System Certificate.

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 175.000 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 tonnes. Environmentally friendly production is realized at the Sarkuysan plants through 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 sales of 153.414 tonnes in 2011 despite the fact that the negative impacts of the crisis had not diminished completely.

Product Range

- **Copper Cathode**
- **Electrolytic Copper Products**
  - Rods
  - Wire rods
  - Wire in various diameters
  - Flat wire (bare or insulated)
  - Trolleys
  - Profiles
  - Tin-plated wire
  - Nickel-plated wire
  - Bunched and stranded wire
  - Ropes
  - Copper tubes (grooved and ungrooved)
  - Copper bus bar
  - Tin plated bus bar
  - Copper nuggets

153,4

Sarkuysan realized net sales of 153.414 tonnes in 2011.

+200

an annual production capacity of more than 200.000 tonnes.

Innovative approach meeting new product requirements and robust R&D structure

R&D Operations

The Research and Development Department at Sarkuysan maintains its capacity to be a centre for information and technology where an existing accumulation of know-how has been enriched continuously and new projects are prepared. This know-how has been combined with the machinery manufacturing ability of Sarmakina, our sister company, thus paving the way to pioneer important technological advances.

At the Research and Development Department:

- Our joint project with Sarmakina on a tin coating method was acknowledged to have an R&D content by TÜBİTAK (The Scientific and Technological Research Council of Turkey) and TEYDEB (Technology and Innovation Funding Programs Directorate) and deemed to be appropriate for support.

- A production unit was made to produce OF and DXP copper nuggets formerly not produced in the country and imported to be used in copper plating. This unit was commissioned and domestic market requirements were met. In 2012 market research was commenced for export markets.

- 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.

- Several projects were developed concerning the evaluation of secondary material and wastes, thus helping existing environmental protection facilities to operate in compliance with the "Respect the Environment" principle.

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 having a qualified workforce. We also stick to the principle of "Environmentally Friendly Production" for a clean nature. In order to meet the expectations of our customers in a world moving towards a single market, our quality management system is based on continuous improvements in investments, coordination and support programs together with a complete fulfilment of quality management system requirements. 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 constitute the basis of our training policy. Our "Handbook of Quality" which is the main document of 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 assure that products of Sarkuysan A.Ş. are produced in compliance with customer requirements, national and international standards as well as law. Effective implementation of the Quality Management System will bring about low cost and high quality production, thus increasing 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 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.

High quality production and compliance with all standards

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 possibilities in the production of products in accordance with the requirements of our customers; to act 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 achievable aims and objectives and continuously seek to improve them in line with the continuous improvement principle; and 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.

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 2011, the employment volume of the Company remained at almost the same level as with the previous year. Total number of personnel employed was 642, including 182 management, 100 technical and 360 workers.

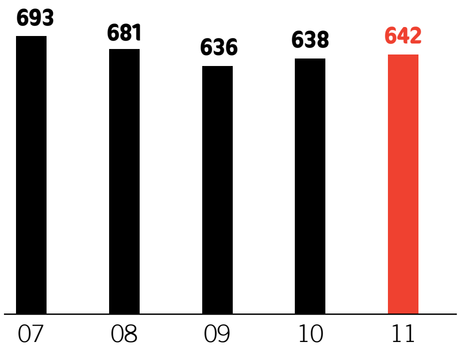
To stimulate the occupational and social development of our employees were encouraged to participate in in-house and external training programs. Also various activities were organized to improve the communication and motivation among the employees.

Principles for the Remuneration of the Directors and Senior Officers

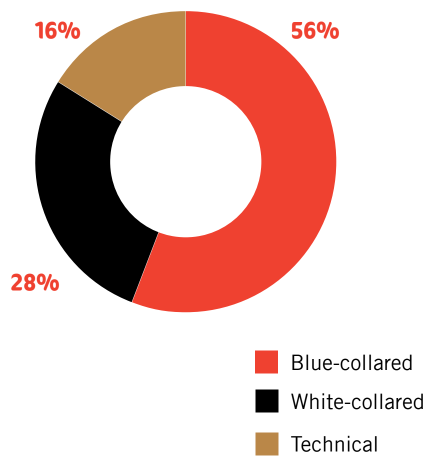
The remuneration of the Directors of the Board is determined by the Ordinary General Meeting held annually.

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 labour agreement pay rise 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 the similar companies in the market, the results of the performance evaluation and also pay rise percentages stemming from the collective labour agreement. This study is evaluated by the Board of Directors and thus determined remuneration is implemented upon approval of the Board.

Number of Employees



Distribution of Employees (%)



A company that is aware of its social responsibilities

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 65 undergraduates, including employees' children and successful graduates of Sarkuysan High School, being awarded scholarships. Also 67 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 has always been maintained and a traditional essay writing contest during the Atatürk Week was organized.
- As 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 Okmeydanı Teaching and Research Hospital, Oncology Clinic and Istanbul Vocational Deceases Hospital by purchasing and donating colour ultrasound and EMG equipment.
- Sarkuysan table tennis team continued to play in the super league.
- Sarkuysan Classical Turkish Music Chorus, made up of our employees, gave successful concerts for the benefit of the Teachers Nursing Home of KASEV Foundation on 30th March 2011 and on the occasion of our 36th anniversary of the Sarkuysan plant at the Gebze Osman Hamdi Bey Concert Hall on 24th December 2011.

Donations and charities made by our Company in 2011 (TL)

Sarkuysan High School / Gebze	41.173,85
Farabi State Hospital/Darıca	32.715,99
Sarkuysan Primary School / Darıca	13.914,40
Kocaeli Chamber of Commerce (Aid Campaign for Africa Hunger Disaster)	10.000,-
GESIAD Gebze Industry and Business Association	4.000,-
Mardinites Association in Istanbul	4.000,-
KASEV Kadıköy Health Education Centre Foundation	3.400,-
AISEC	2.500,-
Turkish Education Volunteers Foundation	1.200,-
Others	5.940,-
Total	**128.844,24**

Consolidated Financial Statements and Independent Auditor's Report For the Year Ended December 31, 2011

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF
SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET ANONİM ŞİRKETİ

We have audited the accompanying consolidated financial statements of **Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi** ("the Group"), which comprise the consolidated balance sheet as of December 31, 2011 and the consolidated income statement, consolidated comprehensive income statement, consolidated statements of shareholders' equity and consolidated statements of cash-flow for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility on Financial Statements

Group Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting standards published by Capital Market Board (CMB). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of Independent Auditing Firm

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

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi as of December 31, 2011 and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with financial reporting standards published by Capital Market Board (CMB).

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL

Dr. Hakkı DEDE
Certified Public Accountant
Istanbul, Turkey April 12, 2012

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Balance Sheet (XI-29)

(Amounts are stated in TL unless otherwise stated)

	Notes	*Audited* Current year 31.12.2011	*Audited* Previous year 31.12.2010
ASSETS			
Current Assets		**667.766.119**	**460.211.789**
Cash and Cash Equivalents	**Note.6**	58.688.389	37.317.600
Financial Investments	**Note.7**	-	-
Trade Receivables	**Note.10**	438.038.048	210.189.139
Other Trade Receivables	***Note.10***	*391.349.476*	*175.726.497*
Trade Receivables from Related Parties	***Note.10, Note. 37***	*46.688.572*	*34.462.642*
Due From Finance Sector Operations	**Note.12**	-	-
Other Receivables	**Note.11**	52.591.185	56.217.197
Inventories	**Note.13**	104.532.953	142.261.026
Derivative Financial Instruments	**Note.14**	4.724.868	310.824
Other Current Assets	**Note.26**	9.190.676	13.916.003
Total		**667.766.119**	**460.211.789**
Fixed Assets Held For Sale Purposes	**Note.34**	-	-
Non-Current Assets		**180.654.477**	**203.919.474**
Trade Receivables	**Note.10**	-	-
Due From Finance Sector Operations	**Note.12**	-	-
Other Receivables	**Note.11**	3.472	7.089
Financial Investments	**Note.7**	11.797	11.797
Investments Evaluated with Equity Method	**Note.16**	31.925.378	34.871.348
Investment Properties	**Note.17**	60.045.000	74.634.444
Tangible Assets	**Note.18**	84.229.724	90.279.827
Intangible Assets	**Note.19**	304.336	46.832
Goodwill	**Note.20**	4.056.423	4.056.423
Deferred Tax Asset	**Note.35**	78.347	-
Other Non-Current Assets	**Note.26**	-	11.714
TOTAL ASSETS		**848.420.596**	**664.131.263**

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Balance Sheet (XI-29)

(Amounts are stated in TL unless otherwise stated)

	Notes	*Audited* Current year 31.12.2011	*Audited* Previous year 31.12.2010
LIABILITIES			
Short-Term Liabilities		**543.862.129**	**383.035.509**
Financial Liabilities	**Note.8**	369.704.813	303.915.781
Other Financial Liabilities	**Note.9**	-	-
Trade Payables	**Note.10**	157.461.518	62.719.543
Other Payables	**Note.11**	4.401.761	6.206.896
Due to Finance Sector Operations	**Note.12**	-	-
Government Grants And Assistance	**Note.21**	-	-
Period Profit Tax Liabilities	**Note.35**	108.546	45.756
Derivative Financial Instruments	**Note.14**	2.365	10.546
Provisions	**Note.22**	1.435.899	710.351
Other Short-Term Liabilities	**Note.26**	10.747.227	9.426.636
Total		**543.862.129**	**383.035.509**
Payables Related to Fixed Assets Held for Sale Purposes	**Note.34**	-	-
Long-Term Liabilities		**14.579.325**	**14.485.517**
Financial Liabilities	**Note.8**	-	-
Other Financial Liabilities	**Note.9**	-	-
Trade Payables	**Note.10**	-	-
Other Payables	**Note.11**	-	-
Due to Finance Sector Operations	**Note.12**	-	-
Government Grants And Assistance	**Note.21**	-	-
Provisions	**Note.22**	-	-
Provision For Termination Indemnity	**Note.24**	10.553.756	8.629.399
Deferred Tax Liabilities	**Note.35**	4.025.569	5.856.118
Other Long-Term Liabilities	**Note.26**	-	-
SHAREHOLDERS' EQUITY		**289.979.142**	**266.610.237**
Parents Company Shareholders' Equity	**Note.27**	**289.829.425**	**266.480.799**
Capital		50.000.000	50.000.000
Inflation Adjustment of Shareholders' Equity		62.162.278	62.162.278
Capital Adjustments Due to Cross-Ownership		-	-
Share Premiums		-	-
Revaluation Funds		36.754.096	49.304.362
Foreign Currency Translation Adjustments		926.194	994.874
Restricted Reserves		13.988.391	12.795.733
Retained Earnings		95.708.285	79.790.269
Net Profit/(Loss) for the Period		30.290.181	11.433.283
Minority Shares	**Note.27**	**149.717**	**129.438**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**848.420.596**	**664.131.263**

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Income Statement (XI-29)

(Amounts are stated in TL unless otherwise stated)

	Notes	Audited Current Period 01.01.2011 31.12.2011	Audited Previous Period 01.01.2010 31.12.2010
CONTINUED OPERATIONS			
Sales	**Note. 5-28**	2.202.640.009	1.516.715.552
Cost of Sales (-)	**Note. 5-28**	(2.154.343.486)	(1.508.268.098)
Gross Profit/(Loss) from Trade Operations		**48.296.523**	**8.447.454**
Interest, Premium, Commission and Other Incomes		-	-
Interest, Premium, Commission and Other Expenses (-)		-	-
Gross Profit/(Loss) from Finance Sector Operations		**-**	**-**
GROSS PROFIT/(LOSS)		**48.296.523**	**8.447.454**
Marketing, Selling and Distribution Expenses (-)	**Note.29**	(15.225.124)	(11.334.712)
General Administration Expenses (-)	**Note.29**	(15.019.823)	(15.564.612)
Research and Development Expenses (-)	**Note.29**	(942.099)	(1.143.527)
Other Operating Income	**Note.31**	60.627.459	21.235.223
Other Operating Expenses (-)	**Note.31**	(1.679.670)	(1.153.286)
OPERATION PROFIT/(LOSS)		**76.057.266**	**486.540**
The Profit/(Loss) of Investments Evaluated According to Equity Method	**Note.16**	(2.945.970)	342.656
Financial Income	**Note.32**	163.529.477	109.946.775
Financial Expense (-)	**Note.33**	(205.563.663)	(97.292.730)
CONTINUED OPERATIONS PROFIT/(LOSS) BEFORE TAX		**31.077.110**	**13.483.241**
Continued Operations Tax Profit/(Loss)	**Note.35**	**(766.650)**	**(2.037.453)**
- Current Period Tax Income/(Expense)		(2.675.546)	(3.866.146)
- Deferred Tax Income/(Expense)		1.908.896	1.828.693
CONTINUED OPERATIONS PERIOD PROFIT/(LOSS)		**30.310.460**	**11.445.788**
DISCONTINUED OPERATIONS		-	-
Discontinued Operations Profit/(Loss) After Tax		-	-
PERIOD PROFIT/(LOSS)		**30.310.460**	**11.445.788**
Distribution of Period Profit/(Loss)		**30.310.460**	**11.445.788**
Minority Share		20.279	12.505
Parent Company		30.290.181	11.433.283
Net Earnings Per Share	**Note.36**	**0,6058**	**0,22867**

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Comprehensive Income Statement (XI-29)

(Amounts are stated in TL unless otherwise stated)

	Notes	Audited Current Period 01.01.2011 31.12.2011	Audited Previous Period 01.01.2010 31.12.2010
PERIOD PROFIT/(LOSS)	**Note.36**	**30.310.460**	**11.445.788**
Other Comprehensive Income			
Changes in Financial Assets Revaluation Reserves		-	-
Changes in Investment Properties Revaluation Reserves		-	532.994
Changes in Hedging Reserves		-	-
Changes in Foreign Currency Translation Adjustment		(68.6809)	47.924
Actuarial Gains and Losses From Retirement Plan		-	-
Part of Other Comprehensive Income From Partnership Evaluated by Equity Method		-	-
Tax Income/Expense Related Other Comprehensive Income		-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)		**(68.680)**	**580.918**
TOTAL COMPREHENSIVE INCOME (AFTER TAX)		**30.241.780**	**12.026.707**
Distribution of Comprehensive Income		**30.241.780**	**12.026.707**
Minority Share		20.279	12.505
Parent Company		30.221.501	12.014.202

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Statement of Cash Flows (XI-29)

(Amounts are stated in TL unless otherwise stated)

	Notes	Audited Current Period 01.01.2011 31.12.2011	*Reclassified* Audited Previous Period 01.01.2010 31.12.2010
A) CASH FLOWS FROM OPERATING ACTIVITIES			
CONTINUED OPERATIONS PROFIT/(LOSS) BEFORE TAX	**Not.36**	**31.077.110**	**13.483.241**
Adjustments			
Depreciation (+)	**Note.17-18-19**	10.628.418	13.600.027
Increase in Provision for Termination Indemnities (+)	**Note.24**	3.244.403	2.569.635
Rediscount on Receivables (+)	**Note.10 - 33**	1.497.995	(58.019)
Provision for Doubtful Receivables (+)	**Note.10 - 31**	88.265	4.264
Other Provisions (+)	**Note.22**	725.548	(1.434.458)
Provisions for no longer doubtful receivables	**Note.10 - 31**	(12.473)	-
Goodwill	**Note.20**	-	343.223
Interest Income (-)	**Note.32**	(13.558.155)	(7.430.952)
Interest Expense (+)	**Note.33**	35.359.565	16.480.692
Credit Foreign Exchange Income		61.275.167	6.562.500
Expense Accrual	**Note.26**	2.697.480	1.698.351
Income Accrual	**Note.26**	(476.970)	(610.613)
Profits from sale of an investment property	**Note.17**	(35.411.800)	-
Net Income/Expense from/to Derivative Transactions	**Note.14**	(4.422.225)	(300.278)
Share in Profit/(Loss) of Investments Evaluated by Equity Method	**Note.16**	2.945.970	(342.657)
Provision for Decrease in Value of Inventories (+)	**Note.13**	16.155	(614)
Rediscount on Notes Payable (-)	**Note.10 - 32**	(405.946)	(5.553)
Increase in Value of Investment Property		(3.910.556)	(6.645.886)
Operational Income before Changes in Working Capital (+)		**91.357.951**	**37.912.903**
Increase in Trade Receivables/Other Receivables (-)	**Note.10 - 11**	(225.793.067)	(61.909.744)
Decrease in Inventories (+)	**Note.13**	37.711.918	(41.629.938)
Changes in Trade Payables	**Note.10 - 11**	93.342.785	33.848.072
Changes in Factoring Payables	**Note.8**	83.061.253	
Net Cash Inflow Provided/(Used) From Operating Activities:		**79.680.840**	**(31.778.707)**
Other Increase and Decrease in Working Capital (+)/(-)	**Note.22 - 26**	1.751.020	(3.089.762)
Deferred VAT	**Note.26**	(62.333)	(7.575.516)
Advances Given for Purchases	**Note.26**	(1.537.903)	649.956
Job Advances	**Note.26**	40.908	(7.948)
Advances Received	**Note.26**	(1.729.455)	5.107.398
Net Cash Inflow Provided/(Used) From Operating Activities		**78.143.077**	**(36.694.579)**
Taxes Paid	**Note.35**	(2.612.757)	(5.324.424)
Interest Paid		(29.984.677)	(11.062.184)
Termination Indemnity Paid	**Note.24**	(1.320.046)	(569.010)
Interest Collected (+)		13.558.155	7.430.952
Net Cash Provided/(Used) From Investment Activities		**57.783.752**	**(46.219.245)**

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Consolidated Statement of Cash Flows (XI-29)

(Amounts are stated in TL unless otherwise stated)

	Notes	Audited Current Period 01.01.2011 31.12.2011	*Reclassified* Audited Previous Period 01.01.2010 31.12.2010
B) NET CASH PROVIDED/(USED) FROM INVESTMENT ACTIVITIES			
Acquisitions of Tangible Assets (-)	**Note.18 - 19**	(5.167.826)	(5.141.389)
Net Value of Tangible Assets Disposals	**Note.18- 19**	332.008	215.289
Investment Property Disposals (+)	**Note.17**	53.911.800	-
Net Cash Provided/(Used) From Investment Activities:		**49.075.982**	**(4.926.100)**
C) NET CASH PROVIDED/(USED) FROM FINANCIAL ACTIVITIES			
Foreign Currency Translation Adjustments (+)	**Note.27**	(68.680)	47.924
Credit Received	**Note.8**	345.491.972	413.302.332
Credit Paid	**Note.8**	(424.039.359)	(354.330.640)
Dividend Paid (-)	**Note.27**	(6.872.878)	(4.267.882)
Net Cash Used in Financial Activities:		**(85.488.945)**	**54.751.734**
Net Decrease in Cash and Cash Equivalents		**21.370.789**	**3.606.389**
BEGINNING BALANCE of CASH and CASH EQUIVALENTS	**Note.6**	**37.317.600**	**33.711.211**
ENDING BALANCE of CASH and CASH EQUIVALENTS	**Note.6**	**58.688.389**	**37.317.600**

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Statement of Changes in Shareholders' Equity (XI-29)

(Amounts are stated in TL unless otherwise stated)

Current Period	Notes	Capital	Inflation Adjustment of Shareholders' Equity	Restricted Reserves Assorted from Profit	Revaluation Funds	Foreign Currency Translation Adjustments	Net Period Profit/(Loss)	Retained Earnings	Main Shareholders' Equity	Minority Share	Total Shareholders' Equity
01.01.2011		**50.000.000**	**62.162.278**	**12.795.733**	**49.304.362**	**994.874**	**11.433.283**	**79.790.269**	**266.480.799**	**129.438**	**266.610.237**
Transfer	**Note.27**	-	-	51.772	-	-	(11.433.283)	11.381.511	**-**	-	**-**
Capital Increase	**Note.27**	-	-	-	-	-	-	-	**-**	-	**-**
Dividend	**Note.27**	-	-	1.140.886	-	-	-	(8.013.761)	**(6.872.875)**	-	**(6.872.875)**
Total Comprehensive Income	**Note.27**	-	-	-	(12.550.266)	(68.680)	30.290.181	12.550.266	**30.221.500**	20.279	**30.241.780**
31.12.2011		**50.000.000**	**62.162.278**	**13.988.391**	**36.754.096**	**926.194**	**30.290.181**	**95.708.285**	**289.829.425**	**149.717**	**289.979.142**
Previous Period											
01.01.2010		**50.000.000**	**62.162.278**	**11.572.476**	**48.771.367**	**946.950**	**3.939.979**	**81.341.429**	**258.734.478**	**116.933**	**258.851.411**
Transfer	**Note.27**	-	-	1.223.257	-	-	(3.939.979)	2.716.722	**-**	-	**-**
Capital Increase	**Note.27**	-	-	-	-	-	-	-	**-**	-	**-**
Dividend	**Note.27**	-	-	-	-	-	-	(4.267.882)	**(4.267.882)**	-	**(4.267.882)**
Total Comprehensive Income	**Note.27**	-	-	-	532.995	47.924	11.433.283	-	**12.014.202**	12.505	**12.026.707**
31.12.2010		**50.000.000**	**62.162.278**	**12.795.733**	**49.304.362**	**994.874**	**11.433.283**	**79.790.269**	**266.480.799**	**129.438**	**266.610.237**

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

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

1 ORGANIZATION AND BUSINESS SEGMENT

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. (The Company) was established on 03.05.1972 and company shares are traded on the Istanbul Stock Exchange. 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 Darıca Kocaeli.

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

The subsidiaries and affiliates of the company as of 31.12.2011 are as follows:

Shareholder	Subsidiaries and Affiliates	Field of Activity	Share Percentage %
Sarkuysan A.Ş.	Sarmakina San. ve Tic. A.Ş.	Packing material (steel reels), manufacturing and trade of the manufacturing machinery	99,00
Sarkuysan A.Ş.	Sarda Dağ. ve Tic. A.Ş.	Marketing and distribution	99,97
Sarkuysan A.Ş.	Bektaş Emaye Kablo San. Tic. A.Ş.	Not operating, but obtains participation earnings.	70,71
Sarkuysan A.Ş.	Sark USA, INC.	Marketing of Sarkuysan products and Sark Wire Corp in the USA market.	100,00
Sarkuysan A.Ş.	Ege Free Zone Branch	Production and Trade of Electrolytic copper wire.	100,00
Sarkuysan A.Ş.	Demisaş Döküm Emaye Mam. San. A.Ş.	Manufacture and trade of iron spare parts for Automotive and Home Electronics Industries.	44,44
Sarda Dağ. ve Tic. A.Ş.	Bektaş Emaye Kablo San. Tic. A.Ş.	Not operating, but obtains participation earnings.	29,12
Bektaş Emaye Kablo San. Tic. A.Ş.	Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	Manufacturer of power, data, telecom cables, other insulated conductors and components as well as trade of these products in the domestic and export markets.	16,98
Sarkuysan A.Ş.	Sark Wire Corp	Production and Trade of copper wire.	60,00
Bektaş Emaye Kablo San. Tic. A.Ş.	Sark Wire Corp	Production and Trade of copper wire.	12,50
Sark USA, INC.	Sark Wire Corp	Production and Trade of copper wire.	12,50
Sarmakina San. ve Tic. A.Ş.	Sark Wire Corp	Production and Trade of copper wire.	15,00

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

The average number of the personnel is 753. (31.12.2010: 756)

	31.12.2011	31.12.2010
Unionized employees	358	364
Non-unionized employees	71	69
White-collared employees	324	323
Total	**753**	**756**

These consolidated financial statements was approved to be published at a meeting of the Board of Directors, dated April 12, 2012 and was signed by the Vice President Doğan Çakır, Accounting Manager Emine Gündağ on behalf of the Board. The General Assembly has the authority to change the financial statements.

2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basic Principles for the Presentation

The Group maintains its books of accounts and legal financial statement in accordance with Turkish Commercial Code and accounting principles determined in tax legislations. Subsidiaries operating in foreign countries prepare accounting records and statutory financial statements according to currencies of the country where they are in and in accordance with the legislation of the countries. The Group's financial statements were prepared in accordance with the Capital Market Board's ("CMB") regulations for accounting and reporting.

The CMB published a comprehensive set of accounting principles in accordance with the communiqué Serial: XI, No: 29 on "Communiqué on Financial Reporting at Capital Markets". This communiqué has become valid for the first interim financial period subsequent to January 01, 2008. The supplementary communiqué Serial: XI, No: 29 was issued as an amendment to Communiqué Serial: XI No: 25 and states that, the financial statements will be prepared in accordance with the International Financial Reporting Standards ("IFRS") as conceded by the European Union ("EU"). IFRS will be applied until the time differences between the IFRS and Turkish Accounting/Financial Reporting Standards ("TFRS") are declared by the Turkish Accounting Standards Board. Thus TFRS, which are in compliant with the applied standards, will be adopted.

The accompanying consolidated financial statements and notes have been prepared in accordance with IFRS as declared in the communiqué Serial: XI, No: 29, with the required formats announced by the CMB on April 18, 2008 and January 09, 2009.

The company has a full set of financial statements for interim periods has preferred to prepare a full set of financial statements of the Capital Market Board has prepared in accordance with financial reporting standards. In this context, the company preferred to prepare a full set of financial statements in accordance to CMB's financial reporting standards.

The Group's financial statements are presented with its functional currency that is the currency of the primary economic environment in which the Group operates. The Group's financial position and operation results are indicated in the Group's functional currency, Turkish Lira.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

Financial Statements of the subsidiaries which are operated in other countries:

If the functional currency of the group firm is different than the report, the currency is translated by the following rules (none of the currencies are belong to a hyper inflationist economy)

- All assets and liabilities in the Balance Sheet are translated by the exchange rate in balance sheet date
- Revenues and expenses in the Income Statement are translated by the average exchange rate and the translation loss is shown in the Owners' Equity and Comprehensive Income Statement as a separate item

If some of the foreign operations are sold, it is shown as a sleuthed translation in Owners' Equity and income/loss from sales in Income Statement. Goodwill and fair value adjustments by the acquisition of a foreign company are considered to be an assets and liability of it.

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 01, 2005 for the companies that are operating in Turkey and preparing financial statements in accordance with CMB standards. Therefore, application of International Accounting Standards 29 "Financial Reporting on Hyper-Inflationist Economies" was ended after January 01, 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 dominant influence over the financial and operating policies.

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

The proportion of ownership interest and effective interest of the Group in these Joint Ventures as of December 31, 2010 and December 31, 2011 are as follows;

31.12.2011

Subsidiaries Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Sarmakina San. ve Tic. A.Ş.	99%	-	99%
Sarda Dağ. ve Tic. A.Ş.	99,97%	-	99,97%
Bektaş Emaye Kablo San. Tic. A.Ş.	70,71%	29,11%	99,82%
Sark USA, INC.	100%	-	100%
Ege Free Zone Branch	100%	-	100%
Sark Wire Corp	60%	39,83%	99,83%

31.12.2010

Subsidiaries Name	Direct Shares Owned by Parent Company	Indirect Shares Owned by Parent Company	Total Shares
Sarmakina San. ve Tic. A.Ş.	99%	-	99%
Sarda Dağ. ve Tic. A.Ş.	99,97%	-	99,97%
Bektaş Emaye Kablo San. Tic. A.Ş.	70,71%	29,11%	99,82%
Sark USA, INC.	100%	-	100%
Ege Free Zone Branch	100%	-	100%
Sark Wire Corp	60%	39,83%	99,83%

Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and one or more other parties. The Group's interest in Joint Ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its share of the assets, liabilities, income and expenses of each Joint Venture in the relevant components of the financial statements. The Company has no joint venture as of date December 31, 2011

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 as a subsidiary company of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş and Bemka A.Ş. as a subsidiary company of Bektaş A.Ş are accounted by the equity method of accounting. According to the equity method, the participations are measured initially at acquisition cost. Subsequently the recorded amounts are increased or decreased in proportion with the share of the main partnership in the shareholders' equity of the participation.

The table below sets out all affiliates and shows the total interest of the Group in these affiliates as of December 31, 2011 and December 31, 2010;

31.12.2011

Subsidiaries 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%
Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	-	16,95%	16,95%

31.12.2010

Subsidiaries 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%
Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	-	16,95%	16,95%

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

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

The portion of the profit or loss and net assets of Subsidiaries attributable to equity interests that are not owned, directly or indirectly through the Subsidiaries, by the parents, is presented as minority interest.

2.04 Comparative Information and Adjustment of the Previous Consolidated Financial Statements

The financial statements were prepared comparatively to assess the financial position and the performance trends of the Group. The Group prepared comparative Balance Sheet dated as of December 31, 2011 and December 31, 2010 and income statement, comprehensive income statement, cash flow and statement of changes in shareholders' equity for the period ended as of December 31, 2011 and December 31, 2010.

If necessary, the classification amendments for the financial statements in the current period can be applied to the financial statements of the previous period in order to be in coherence.

Moreover in order to provide a better analysis of cash flows, the Group management reclassified interest income, interest expenses, tax expenses and provision for termination indemnity in the cash flow statement of the current period. Also in order to sustain comparative presentation, the previous period's cash flow statement was reviewed and similar reclassifications were also applied. The reclassifications made did not have any effect of the financial results of the previous period.

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 balance sheet date as well as amounts of income and expense as of the reporting date. The realized results may differ from the estimates. Estimations are reviewed regularly and any corrections made to those estimates is corrected in the current period and reflected on the income statement in the period which is occurred.

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

a) Termination Indemnity Liability is determined using the actuarial valuations (discount rates, salary increases for the future periods and estimated probability of retirement rates) (Note 24)

b) Tangible assets are depreciated using the straight-line method over their economic lives. The estimated useful life and amortization are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. (Note: 2.09.03)

c) In the accompanying financial statements, the Group management made a litigation provision related to the law suits disclosed in Note 22 in line with the opinion of the Group's legal counsellors based on the most precise 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.

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

f) 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 related with the waiting period and the physical received from the technical staff. (Note:13)

g) The Group has chosen to use the revaluation model for Investment Properties.

2.06 Changes in Accounting Policies

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

2.07 Changes in Accounting Estimates and Errors

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

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements. However; if the 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 period results of the current period.

2.08 Offsetting

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

2.09 Summary of Significant Accounting Policies

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

2.09.01 Revenue Recognition

Group revenues consist of electrolytic copper wire, copper and composite sales to the domestic market and overseas. Rental Revenues from investment properties are accounted for sales revenue.

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 gratified:

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

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

Other miscellaneous revenues that are earned by the Group,

Interest Income, on the basis of effective interest method

Rent and Royalty Income, on accrual basis

Dividend Income, on the date of dividend payment occurrence

Rental 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.

2.09.03 Tangible Fixed Assets

The property, plant, and equipment acquired after January 01, 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 01, 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, 2011 (%)
Land Improvements	25	4
Buildings	50	2
Machinery, Plant, and Equipment	12,5	8
Furniture and Fixtures	5	20
Vehicles	5	20

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

2.09.04 Intangible Assets

Intangible assets acquired before January 01, 2005 are carried at indexed historical cost for inflation effects as at December 31, 2004; however, purchases after January 01, 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.

TYPE	Economic Life (Year)	Depreciation Rates as of December 31, 2011 (%)
Rights	5	20
Development cost	5	20

2.09.05 Impairment of Assets

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

2.09.06 Leasing Operations

i) Financial Leasing

None.

ii) Operational Leasing

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

The Group as Lessee:

Lease payments made for an operational leasing are recorded as expense according to normal method throughout the lease term. The total rent expense paid in the current period is TL 288.088.

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 recorded as income according to normal method throughout the lease term. The total rent income by 31.12.2011 is TL 3.139.514. (31.12.2010 was TL 2.813.849) TL 2.147.364 of this amount consists of the rent income from investment properties. The Group presents the rent income derived from investment properties in sales. The remaining amount, TL 992.150 (31.12.2010 was TL 838.951), is recognized as Other Operations Income. The transactions between parent company and subsidiaries are eliminated reciprocally within the scope of consolidation. (Note:31)

2.09.07 Research and Development Costs

Research and development costs are expensed as incurred. These expenses consist of the costs of the Group's internal research and development activities and the costs of developing new products and enhancing existing products. In case newly developed projects are tested to be successful in terms of commercial and technological use and its expenses measured reliably, they are recognized as intangible assets. Other research costs are expensed as incurred. Expenses recognized in previous periods cannot be capitalized in following periods. Research and Development costs are considered to be an intangible asset only as follows,

Expenditures for research and development are charged against income in the period incurred except for project development costs which comply with the following criteria:

- The products 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 exist 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 are satisfying the criteria above should be capitalized by linear depreciation method. The total amount which the Firm capitalized during 2011 is TL 328.840.

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 income statement in the period in which they are incurred. The Group did not capitalize any borrowing costs as of period end.

2.09.09 Financial Instruments

(i) Financial Assets

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

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

Prevailing Interest Method

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

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

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 income statement. The fluctuations in the fair value of these assets are shown in the statement of shareholders' equity. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized is included in profit or loss for the period. Provisions recorded in the income statement pertaining to the impairment of financial asset Available-for-Sale can not be reversed from the income statement 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 income statement.

d) Loans and Receivables

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

Impairment of Financial Assets

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

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

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

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

Cash and Cash Equivalents

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

(ii) Financial Liabilities

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

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

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

“Financial liabilities whose fair value differences are reflected to the profit/loss” are recorded at fair value and are re-evaluated at the end of each balance sheet date. Changes in fair value are recognized in the income statement. Recognized net earnings and/or losses in the income statement 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.

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

2.09.10 Effects of Currency Fluctuations

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

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 balance sheet date and the publication date of the financial statements. If there is substantial evidence that the subsequent events existed or arose after the balance sheet date, these events are disclosed and explained in the notes to the financial statements.

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 (a) the cash out-flow is probable for the reversal of provision and (b) the liability amount can be estimated reliably. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash out-flow is probable, provision is set forth in the financial statements of the year the probability of contingent liability accounts is changed.

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

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

2.09.14 Related Party Disclosures

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

2.09.15 Government Grants and Assistance

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

2.09.16 Taxation and Deferred Tax

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

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement 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 balance sheet date.

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 balance sheet 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 income statement, 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.

2.09.17 Retirement Pay

According to Turkish Labour 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".

The retirement benefit obligation recognized in the financial statements represents the present value of the defined benefit obligation as adjusted for unrecognized gains and losses.

2.09.18 Cash Flow Statement

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

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

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

2.09.19 Investment Property

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

Investment properties are taken out of the balance sheet 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 income statement in the year of retirement or disposal. No assets held under the operating lease have been classified as investment properties.

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

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 declined.

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 is 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 can not 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 important part of the activities and financial statement items of every group company are measured at the functional currency of the mentioned company. The accompanying financial statements are presented with the functional currency of Sarkuysan A.Ş. which is TL.

Group Companies Abroad, Foreign Currency Transactions and Balances

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

As of December 31, 2011 and December 31, 2010 the foreign currencies and TL equivalents are as follows:

	Period-End
December 31, 2011	1,8889
December 31, 2010	1,5460

As of December 31, 2011 and December 31, 2010 the foreign average currencies and TL equivalents are as follows:

	Average Rate
December 31, 2010-December 31, 2011	1,6612
December 31, 2009-December 31, 2010	1,4991

2.13 Going Concern Concept

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

2.14 New and Revised International Financial Reporting Standards

The Group had come into force of new and revised standards and comments related with its operation segment, in conjunction with the presentation of International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee for the current period that are effective as of 01.01.2011.

New standards, adjustments and comments that are effective by January 1, 2011 are as follows,

Standards and Interpretations have no impact on the Group's financial statements;

- IAS 24 "Related Party Disclosures" (Amendment)
- IAS 32 "Financial Instruments"
- IFRIC 14 - IAS 19 "Identified The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

Improvements in TFRS

Addition to some changes and updates, TMSK has published 6 principal standards in May, 2010

Effective as of 01.01.2011 are,

- IAS 1 "Presentation of Financial Statements"
- IFRS 3 "Business Combinations"
- IFRS 7 "Financial Instruments Disclosures" (Amendment)
- IAS 27 "Consolidated and Separate Financial Statements"
- IAS 34 "Interim Financial Reporting"
- IFRIC 13 "Customer Loyalty Programs"

The standards published but not effective and put into practice

- IAS 1 "Presentation of Financial Statements"
- IAS 12 "Income Taxes"
- IAS 19 "Employee Benefits"
- IAS 27 "Consolidated and Separate Financial Statements"
- IAS 28 "Investments in Associates"
- IAS 32 "Financial Instruments"
- IFRS 7 "Financial Instruments Disclosures" (Amendment)
- IFRS 9 Financial Instruments–Classification and Disclosures
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Investments on Other Operations
- IFRS 13 Fair value measurement

3 BUSINESS COMBINATIONS

None

4 BUSINESS PARTNERSHIPS

None.

5 SEGMENT REPORTING

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

31.12.2011

	Copper	Reel	Machine	Other	Total	Adjustment of Consolidation and Elimination	01.01.2011 31.12.2011
Sales	2.503.086.021	1.493.108	1.911.794	2.988.360	2.509.479.283	(306.839.274)	2.202.640.009
Cost of Sales	(2.457.064.463)	(997.395)	(1.021.566)	(2.099.336)	(2.461.182.760)	306.839.274	(2.154.343.486)
Gross Profit/ Loss	**46.021.558**	**495.713**	**890.228**	**889.024**	**48.296.523**	**-**	**48.296.523**

31.12.2010

	Copper	Reel	Machine	Other	Total	Adjustment of Consolidation and Elimination	01.01.2010 31.12.2010
Sales	1.754.224.682	1.303.333	557.763	1.934.551	1.758.020.329	(241.304.777)	1.516.715.552
Cost of Sales	(1.746.036.046)	(1.030.026)	(333.690)	(1.208.422)	(1.748.608.184)	240.340.086	(1.508.268.098)
Gross Profit/ Loss	**8.188.636**	**273.307**	**224.073**	**726.129**	**9.412.145**	**(964.691)**	**8.447.454**

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

6 CASH AND CASH EQUIVALENTS

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

Account Name	31.12.2011	31.12.2010
Cash	9.343	6.635
Banks	58.679.046	37.310.965
-Demand Deposits	*45.430.337*	*26.613.189*
-Time Deposits	*13.248.709*	*10.697.776*
Total	**58.688.389**	**37.317.600**

There are no blocked accounts.

Interest income accruals related to time deposits were calculated as TL 33.272 (31.12.2010 was TL 47.010) using effective interest rate method.

Time deposits related to the maturity analysis are given below:

Account Name	31.12.2011	31.12.2010
Demand Deposits	45.430.337	26.613.189
1-30 days	8.937.605	8.697.512
30-90 days	4.311.104	2.000.264
Total	**58.679.046**	**37.310.965**

Effective interest rates of time deposits are as follows:

	31.12.2011		**31.12.2010**	
Type of Currency	**Amount**	**Interest Rate**	**Amount**	**Interest Rate**
TL	8.933.077	9,96%-12,34%	5.480.000	5,13%-8,88%
USD	2.000.096	1,77%	3.000.000	2%
EURO	220.006	1%	260.000	0,50%

7 FINANCIAL ASSETS & INVESTMENTS

I) Short Term Financial Investments

None.

II) Long Term Financial Investments

Financial Assets available for sale for the periods by December 31, 2011 and December 31, 2010 are as follows;

31.12.2011

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**

31.12.2010

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**

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

Movement of Long-Term Securities is as follows:

Long-Term Securities	31.12.2011	31.12.2010
Opening Balance	11.797	538
Additions	-	11.259
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.

8 FINANCIAL LIABILITIES

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

Account Name	31.12.2011	31.12.2010
Bank Loans	286.643.560	303.915.781
Factoring Loans*	83.061.253	-
Total	**369.704.813**	**303.915.781**

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 5.374.887 as of December 31, 2011.

(31.12.2010: TL 4.492.309).

*The Group worked with Factoring Firms for its accounts receivables from some trade activities. The receivables from the clients are accounted in financial tables and the collections of revenues from Factoring Firms are accounted in financial liabilities. The provisions for this transactions is TL 511.909 for the period 31.12.2011

The Group does not have Long-Term Financial Liabilities for the period-ended.

a) The maturities of bank loans are as follows:

Loans	31.12.2011	31.12.2010
0-3 months	82.993.177	81.942.824
3-12 months	203.650.383	221.972.957
Total	**286.643.560**	**303.915.781**

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

31.12.2011

Loans

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
TL Loans	-	15.855.845	8,8%-12,4%
USD Loans	124.280.678	234.753.772	3,2%-6,4%
EURO Loans	14.745.046	36.033.943	3,2%-3,8%
Total		**286.643.560**	

31.12.2010

Loans

Type	Foreign Currency Amount	Amount in TL	Interest Rate (%)
TL	-	3.159.288	9%
USD	187.905.474	290.501.862	2,40%-3,30%
EURO	5.004.456	10.254.631	2,51%
Total	**-**	**303.915.781**	

9 OTHER FINANCIAL LIABILITIES

None.

10 TRADE RECEIVABLES AND PAYABLES

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

Account Name	31.12.2011	31.12.2010
Trade Receivables	335.472.920	174.621.004
- Trade Receivables from Related Parties	*46.688.572*	*34.462.642*
- Other	*288.784.348*	*140.158.362*
Notes Receivables	104.672.038	36.177.050
Discount on Notes Receivables (-)	(2.106.910)	(608.915)
Doubtful Receivables	3.831.452	3.755.660
Provision for Doubtful Receivables (-)	(3.831.452)	(3.755.660)
Total	**438.038.048**	**210.189.139**

When deciding upon the possibility of collection of the receivables, the Group reviews any change in the creditability of mentioned receivables starting from recording date of the receivable until the balance sheet 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 106 days (31.12.2010: 77 days). 90% of the Receivables related with sales to abroad is guaranteed by Exim Bank. There are guarantee letters, guarantee notes and guarantee checks which are related to domestic sales are disclosed in Note 22 and the level of risks on trade receivables are disclosed in Note 38.

The provisions are reflected to the financial statements related to all of the receivables for which there are objective evidences concluding that they are no longer collectible. The provision amount for the current period is TL 88.265 (Note: 31)

Receivables are recognised by amortized cost amounts. The discount rates are 11% for TL receivables, 1.12805% for USD receivables, 1,91343% for Euro receivables and 1,87069% for GBP receivables.

Doubtful Receivables are as follows:

Account Name	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Opening Balance	3.755.660	3.751.396
The Amount Collected During the Period (-)	(12.473)	(1.950)
Period Expense	88.265	-
Closing Balance	**3.831.452**	**3.755.660**

The group has no Long-term Trade Receivables.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

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

Account Name	**31.12.2011**	**31.12.2010**
Trade Payables	14.770.366	15.392.506
-Trade Payables from Related Parties (Not.37)	-	-
-Other	*14.770.366*	*15.392.506*
Notes Payables (*)	143.260.219	47.485.624
Rediscount on Notes Payable (-)	(591.667)	(185.721)
Other Trade Payables	22.600	27.134
Total	**157.461.518**	**62.719.543**

(*) As of December 31, 2011, notes payables are consist of TL 105.401.310 (55.800.365 USD) to Codelco, TL 37.778.000 (20.000.000 USD) to Kazakhmys for importing raw materials of copper and TL 80.909 to other firms.

Payables are recognised with their amortised cost amounts. The discount rates are 11% for TL payables and 1.12805% for USD payables.

Average maturity of purchasing of the Group from its suppliers is 31 days. (31.12.2010: 18 days)

The Group has no Long-term Trade Payables.

11 OTHER RECEIVABLES AND PAYABLES

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

Account Name	**31.12.2011**	**31.12.2010**
Deposits and Guarantees Given	95.535	74.320
Receivables from Tax Administration (*)	52.294.966	55.989.519
Receivables from Personnel	58.024	82.971
Other	142.660	70.387
Total	**52.591.185**	**56.217.197**

(*) Receivables from Tax Administration as TL 52.294.966 consist of VAT returns as TL 51.260.661 and the remaining TL 1.034.305 is belong to Sark USA for the receivables of Customs returns. The Group collects all of its VAT returns by the reports of CPAs.

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

Account Name	**31.12.2011**	**31.12.2010**
Deposits and Guarantees Given	3.472	7.089
Total	**3.472**	**7.089**

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

Account Name	31.12.2011	31.12.2010
Other Payables	193.774	492.880
- Non-trade Payables to Related Parties	*101.574*	*92.043*
- Other	*92.200*	*400.837*
Deposits and Guarantees Taken	12.912	14.580
Taxes and Funds Payable	2.845.453	4.554.252
Social Security Institution Payable	928.703	775.274
Due to Personnel	408.704	369.910
Matured, Delayed or Deferred Tax by Instalments and Other Liabilities	12.215	-
Total	**4.401.761**	**6.206.896**

The Group has no other Long-term Payables.

12 RECEIVIABLES AND PAYABLES FROM/TO FINANCIAL OPERATIONS

None.

13 INVENTORIES

Inventory balances for periods ended are as follows:

Account Name	31.12.2011	31.12.2010
Raw Materials	7.623.421	29.510.972
Semi-finished Goods	5.132.105	26.182.726
Finished Goods	72.025.029	67.128.398
Commercial Goods	11.613.539	14.425.581
Other Inventories	8.194.630	5.052.965
Provisions for Impairment of Inventories (-)	(55.771)	(39.616)
Total	**104.532.953**	**142.261.026**

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

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 situations of the inventories. In the current period, provision for impairment of inventories is TL 16.861.

	31.12.2011	31.12.2010
Cost Value	55.771	39.616
Provisions for Impairment of Inventories (-)	(55.771)	(39.616)
Take part with cost value	104.532.953	142.261.026
Total Inventories	**31.454.428**	**142.261.026**

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

	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Opening Balance	(39.616)	(40.230)
Cancellation of Provision Due to Increase in Net Realizable Value (+)	-	614
Provision for the Current Period (-)	(16.861)	-
Provisions no longer required	706	-
Total	**(55.771)**	**(39.616)**

14 DERIVATIVE FINANCIAL 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. Any gains or losses arising from changes in fair value on derivatives are recognized in the consolidated income statement. Fair values are obtained from quoted market prices in active markets, including recent market transactions, to the extent publicly available, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Forward Contracts:

The Group has forward contracts within the context of Euro selling/USD buying or USD selling/Euro buying in order to dispose the currency risks that arise from export sales with the usage of Euro and the precaution of currency risks related with raw material procurement through the usage of USD. Derivative Financial Instruments contains foreign currency forward and selling, swap and options contracts.

As of December 31, 2011 the Group has foreign currency swap options with maturities, for which a total of USD 16.922.175 is hedged with Euro 12.400.000 sold. The average Euro rate and USD rate of contracts are TL 2,4610 and TL 1,8065 with respectively, in parallel with these contracts that the Group has assets with the amount of TL 1.622.044 by December 31, 2011.

As of December 31, 2011 the Group has foreign currency swap options with maturities, for which a total of USD 2.381.255 is hedged with GBP 1.500.000 sold. The average GBP rate and USD rate of contracts are 2,8772 and 1,8205 respectively, therefore the Group has assets that amounts TL 117.732 in accordance with these contracts.

As of December 31, 2011 the Group has foreign currency swap options with maturities, for which a total of USD 6.763.000 is hedged with TL 12.533.955 sold. The average USD rate of contracts are 1,8286 therefore the Group has assets that amounts TL 271.906 and liabilities that amounts TL 515.268 in accordance with these contracts.

Commodity Swaps as Hedge Instruments;

The Group has commodity swaps as hedge instruments as of December 31, 2011 within the scope of USD 19.204.174 in order to be protected from price fluctuation according to inventory purchases. The Group includes the assets that amount TL 1.681.200 concerned with these contracts as of December 31, 2011.

	31.12.2011		31.12.2010	
	Asset	Liability	Asset	Liability
Forward Contracts	1.740.477	2.365	185.539	10.546
Commodity Swaps as Hedge Instruments	1.681.200	-	125.285	-
Option Contract	1.303.191	-	-	-
	4.724.868	**2.365**	**310.824**	**10.546**

15 CONSTRUCTION CONTRACTS IN PROGRESS

None.

16 INVESTMENTS EVALUATED BY EQUITY METHOD

Corporation Name	Participation Ratio	Provision for Impairment	December 31, 2011 Balance Sheet Net Value
Demisaş	44,44	-	31.925.378
Bemka	16,95	-	-
Total		**-**	**31.925.378**

Corporation Name	Participation Ratio	Provision for Impairment	December 31, 2010 Balance Sheet Net Value
Demisaş	44,44	-	33.779.202
Bemka	16,95	-	1.092.146
Total		**-**	**34.871.348**

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

	Demisaş	Bemka	Total
Opening Balance - 01.01.2011	33.779.202	1.092.146	34.871.348
Fair Value Difference	(1.853.824)	(1.092.146)	(2.945.970)
Closing Balance - 31.12.2011	**31.925.378**	**-**	**31.925.378**

	Demisaş	Bemka	Total
Opening Balance - 01.01.2010	32.160.084	2.368.607	34.528.691
Fair Value Difference	1.619.118	(1.276.461)	342.657
Closing Balance - 31.12.2010	**33.779.202**	**1.092.146**	**34.871.348**

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

	31.12.2011	31.12.2010
Total Assets	208.929.066	224.311.566
Shareholders’ Equity	54.070.607	79.478.386
Net Sales	318.235.422	294.534.852

17 INVESTMENT PROPERTIES

The Group measures the investment properties at fair value in the financial statements. As of December 31, 2011 and December 31, 2010 the tangible assets at fair values are as follows. There are no borrowing costs allocated to investment properties in scope of IAS 23.

31.12.2011

Asset Value	Opening Balance	Fair Value Difference	Additions	Disposals (-)	December 31, 2011
Land and Properties	**9.015.000**	**580.000**	**-**	**-**	**9.595.000**
Lands	9.015.000	580.000	-	-	9.595.000
Buildings	**81.319.546**	**3.330.556**	**-**	**-**	**57.159.480**
Sarkuysan Ak Trade Center	40.388.361	2.655.556	-	-	43.043.917
Sarkuysan Trade Center	27.490.622	-	-	27.490.622	-
Gebze Warehouse	4.274.393	140.000	-	-	4.414.393
Pendik Plants	9.166.170	535.000	-	-	9.701.170
Total	**90.334.546**	**3.910.556**	**-**	**27.490.622**	**66.754.480**

Accumulated Depreciation	Opening Balance	Fair Value Differences	Additions	Disposals	December 31, 2011
Lands and Properties	-	-	-	-	-
Lands	-	-	-	-	-
Buildings	**15.700.102**	**-**			**6.709.480**
Ak Trade Center	2.993.917	-	-	-	2.993.917
Sarkuysan Trade Center	8.990.622	-	-	8.990.622	-
Gebze Warehouse	879.393	-	-	-	879.393
Pendik Plants	2.836.170	-	-	-	2.836.170
Total	**15.700.102**	**-**	**-**	**8.990.622**	**6.709.480**
Net Value	**74.634.444**	**-**	**-**	**18.500.000**	**60.045.000**

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

31.12.2010

Asset Value	Opening Balance	Fair Value Difference	Additions	Disposals (-)	December 31, 2010
Lands and Properties	**7.655.000**	**1.096.046**	**263.954**	**-**	**9.015.000**
Lands	7.655.000	1.096.046	263.954	-	9.015.000
Buildings	**75.208.660**	**6.110.886**	**-**	**-**	**81.319.546**
Ak Trade Center	36.774.807	3.613.554	-	-	40.388.361
Sarkuysan Trade Center	25.660.306	1.830.316	-	-	27.490.622
Gebze Warehouse	4.150.861	123.532	-	-	4.274.393
Pendik Plants	8.622.686	543.484	-	-	9.166.170
Total	**82.863.660**	**7.206.932**	**263.954**	**-**	**90.334.546**

Accumulated Depreciation	Opening Balance	Fair Value Differences	Additions	Disposals	December 31, 2010
Lands and Properties	**-**	**-**	**-**	**-**	
Lands	-	-	-	-	
Buildings	**15.308.660**	**-**	**391.442**	**-**	**15.700.102**
Ak Trade Center	2.824.807	-	169.110	-	2.993.917
Sarkuysan Trade Center	8.860.306	-	130.316	-	8.990.622
Gebze Warehouse	850.861	-	28.532	-	879.393
Pendik Plants	2.772.686	-	63.484	-	2.836.170
Total	**15.308.660**	**-**	**391.442**	**-**	**15.700.102**
Net Value	**67.555.000**				**74.634.444**

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

31.12.2011

								Net Difference Reflected to Equity		Value Increase Fund Reflected to Income Statement	
TYPE	Asset Amount	Accumulated Depreciation	Net Book Value	Fair Value	Difference in Fair Value	Increase in Value Reflected to Equity	Deferred Tax Effect	Previous Period	Current Period	Previous Period	Current Period
Buildings	13.010.321	(2.522.142)	10.488.179	50.450.000	39.961.821	32.716.300	1.635.814	31.080.486	-	3.914.965	3.330.556
Lands	2.902.050	-	2.902.050	9.595.000	6.692.950	5.212.345	260.617	4.951.728	-	900.605	580.000
TOTAL	**15.912.371**	**(2.522.142)**	**13.390.229**	**60.045.000**	**46.654.771**	**37.928.645**	**1.896.431**	**36.032.214**	**-**	**4.815.570**	**3.910.556**

Increase in fair value in current period is TL 3.910.556. This increase is accounted in Other Revenues.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

31.12.2010

TYPE	Asset Amount	Accumulated Depreciation	Net Book Value	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 Income Statement
Buildings	19.526.116	(5.579.062)	13.947.054	65.619.444	51.672.390	45.927.109	2.296.355	43.630.754	5.745.281
Lands	2.902.050	-	2.902.050	9.015.000	6.112.950	5.212.345	260.617	4.951.728	900.605
Total	**22.428.166**	**(5.579.062)**	**16.849.104**	**74.634.444**	**57.785.340**	**51.139.454**	**2.556.972**	**48.582.482**	**6.645.886**

Previous Period Value Increase in Fair value is reflected to Income Statement and the Equity with the amounts of TL 6.645.886 and TL 28.053, respectively.

The fair values of the investment properties including Sarkuysan Ak Business Center (Üsküdar), Sarkuysan Business Center (Şişhane), warehouse in Gebze, facilities in Pendik and Lands in Kocaeli-Darıca were determined according to the results of the appraisal reports signed by Elit Gayrimenkul Değerleme A.Ş. dated February 10, 2011 (Sarkuysan Business Center), February 11, 2011 (warehouse and machine factory) and February 14, 2011 (facilities and lands) respectively.

The Investment Properties of Group as of 31.12.2011 are listed as follow:

City	County	Village	Deed (m²)	Receiving Date	Net Asset Value
İstanbul	Üsküdar	-	9.314	31.12.2005	8.409.511
Kocaeli	Gebze	Sırasöğütler	4.801	30.06.2000	1.426.597
İstanbul	Pendik	Ortamahalle	4.983,5	10.06.1990	3.174.211
Kocaeli	Darıca	Darıca 2	16.111	15.03.2004	1.759.814
Kocaeli	Darıca	Darıca 2	4.248	06.08.2004	502.732
Kocaeli	Darıca	Darıca 2	1.515	31.08.2009	375.550
Kocaeli	Darıca	Tepecik Köyü	7.050	28.07.1998	52.241
Kocaeli	Darıca	Tepecik Köyü	14.800	28.07.1998	109.668
Kocaeli	Gebze	Duraklı Köyü	23.888	09.07.1997	18.636
Kocaeli	Gebze	Duraklı Köyü	7.360	09.07.1997	38.609
Kocaeli	Gebze	Duraklı Köyü	8.620	09.07.1997	44.802
Total					**15.912.371**

Lands:

a) As of the report date, there is no mortgage, levy or annotation on the lands in Emek District, Aşıroğlu Street. 1333rd block in Darıca, Kocaeli and 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 Ş Village. These lands are showed as "municipal and regional work areas" in Darıca Municipality's regulatory development plan which is approved by Kocaeli Metropolitan Municipality on July 18, 2008. These lands were showed as "Industrial Areas" in prior plans. The immovables subjected to valuation are empty lots as of the report date.

b) As of December 31, 2011, there is an easement right of TEK for the part of 240 m² of the land which is placed in 30K-3B plot, 1365 block in Darıca Ş Village, Darıca – Kocaeli with an area of 16.311 m². There is no mortgage, levy or annotation on the land apart from the above mentioned situation. This land is showed as "Municipal and regional work areas" in Darıca Municipality's Regulatory Development Plant dated December 16, 2008. There is an architectural project dated August 05, 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. (Construction Area is 13.087 m²) But the company has not started the construction and the immovables subjected to valuation are empty lots as of the report date.

c) As of December 31, 2011, there is an enclosure within the borders of forest for the part 117,61 m² of the total 14.800 m² of the land which is placed parcel of land numbered 18, A.13.A plot, in Tepecik Village, Darıca Province – Kocaeli City. The part with an area of 14.682,38 m² is 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 immovables subjected to valuation are empty lots as of the report date.

d) As of December 31, 2011, there is an enclosure within the borders of forest for the part 533,211 m² of the total 7.050 m² of the land which is placed parcel of land numbered 17, A.13.A plot, in Tepecik Village, Darıca County – Kocaeli City. The part with an area of 6.516,78 m² is 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 immovables subjected to valuation are empty lots as of the report date.

e) As of December 31, 2011, the Group owns the land which is placed parcel of land numbered 1128, 7 plot with the 23.888 m², in Duraklı Village, Gebze Province – Kocaeli City. There is no mortgage, levy or annotation on the land. The immovable subjected to valuation are empty lots as of the report date.

f) As of December 31, 2011, the Group is subject to valuation of the land which is placed parcel of land numbered 1135, 7 plot with the 7.360 m², in Duraklı Village, Gebze Province – Kocaeli City. There is no mortgage, levy or annotation on the land. The immovable subjected to valuation are empty lots as of the report date.

g) As of December 31, 2011, the Group is subject to valuation of the land which is placed parcel of land numbered 1155, 8 plots with the 8.620 m², in Duraklı Village, Gebze Province – Kocaeli City. There is no mortgage, levy or annotation on the land. The immovable subjected to valuation are empty lots as of the report date.

Sarkuysan Ak Business Center:

As of the report date, there is no mortgage, levy or annotation on the Business Center placed in Kısıklı Street, No: 4, Altunizade - İstanbul. The area of the Ak Business Center is 9.314,07 m² and the 90% of the Business Center is owned by Sarkuysan Elektrolitik Bakır San. ve Tic. A.Ş. and the 10% of the Business Center is owned by Sarda Dağıtım ve Ticaret A.Ş. The business center is rented to Ak İnşaat Mermercilik Ticaret A.Ş.

Sarkuysan Business Center:

As of the report date, there is no mortgage, levy or annotation on the Business Center placed in Bereketzade District, Okçu Musa Street, No: 1, Şişhane, Beyoğlu - İstanbul. The area of the Ak Business Center is 4.200 m² and the Business Center is part of the Municipally Protected Area. The immovable subjected to valuation is empty as of the report date. The Group sold its building, Sarkuysan Trade Center which is in Istanbul, Beyoglu Sishane square by the decision 1298/11.27 in 12.08.2011 for USD 30.500.000 (TL 53.911.800) to Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş and selling process ends in 19.08.2011 (Not. 31).

Facilities in Pendik:

As of the report date, there is no mortgage, levy or annotation on the Facilities placed in Ortamahalle District, Cemal Gürsel Street, No:1, Pendik - İstanbul. (8627 block, 3 and 4 parcels). The area of the Facilities is 5.795 m² and the 811,50 m² of the facilities is owned by Istanbul Municipality and 150 m² of the facilities is rented to Sarda Dağ. ve Tic. A.Ş.

The amount of pledges, securities and limitations on Investment Properties is disclosed in **Not. 22.**

Insurance amount of Investment Properties are disclosed in **Not. 22.**

18 TANGIBLE ASSETS

Tangible assets for the periods ended are as follows:

31.12.2011

Cost

	January 01, 2011	Additions	Disposals (-)	Transfers	December 31, 2011
Land	3.236.701	-	-	715.887	3.952.588
Land Improvements	1.909.396	35.293	-	303.655	2.248.344
Buildings	37.475.434	42.488	-	43.782	37.561.704
Machinery, Plants and Equipment	248.583.792	1.653.794	(1.737.449)	2.820.076	251.320.213
Vehicles	4.495.406	494.846	(383.545)	-	4.606.707
Furniture and Fixtures	4.478.503	214.000	(275.459)	-	4.417.044
Other Fixed Assets	12.622.529	172.097	(42.147)	69.873	12.822.352
Constructions in Progress	5.504.751	2.224.550		(3.953.273)	3.776.028
Leasehold Improvements	439.572	-	-	-	439.572
Total	**318.746.084**	**4.837.068**	**(2.438.600)**	**-**	**321.144.552**

Accumulated Depreciation

	Opening Balance January 01, 2011	Period Depreciation	Disposals	Closing balance December 31, 2011
Land Improvements	(1.144.036)	(51.680)	-	(1.195.716)
Buildings	(12.863.176)	(774.343)	-	(13.637.519)
Machinery, Plants and Equipment	(194.496.001)	(9.019.632)	1.416.041	(202.099.592)
Vehicles	(3.929.055)	(277.858)	374.200	(3.832.713)
Furniture and Fixtures	(3.863.231)	(202.689)	274.205	(3.791.715)
Other Fixed Assets	(12.124.697)	(188.691)	42.147	(12.271.241)
Leasehold Improvements	(46.061)	(40.271)	-	(86.332)
Total	**(228.466.257)**	**(10.555.164)**	**2.106.593**	**(236.914.828)**
Tangible Assets, Net	**90.279.827**		**(332.007)**	**84.229.724**

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

31.12.2010

Cost

	January 01, 2010	Additions	Disposals (-)	Transfers	Transfers to Investment Property	December 31, 2010
Land	3.500.655	-	-	-	(263.954)	3.236.701
Land Improvements	1.635.084	-	-	274.312	-	1.909.396
Buildings	37.031.404	11.423	-	432.607	-	37.475.434
Machinery, Plants and Equipment	249.580.205	512.169	(1.876.133)	367.551	-	248.583.792
Vehicles	4.321.154	325.801	(151.549)	-	-	4.495.406
Furniture and Fixtures	4.243.199	287.174	(51.870)	-	-	4.478.503
Other Fixed Assets	12.290.621	337.915	(6.007)	-	-	12.622.529
Constructions in Progress	3.038.969	3.554.003	(13.751)	(1.074.470)	-	5.504.751
Leasehold Improvements	357.549	82.023	-	-	-	439.572
Total	**315.998.840**	**5.110.508**	**(2.099.310)**	**-**	**(263.954)**	**318.746.084**

Accumulated Depreciation

	Opening Balance January 01, 2010	Period Depreciation	Disposals	Closing Balance December 31, 2010
Land Improvements	(1.099.809)	(44.227)	-	(1.144.036)
Buildings	(12.186.269)	(687.388)	10.481	(12.863.176)
Machinery, Plants and Equipment	(184.392.300)	(11.849.058)	1.745.357	(194.496.001)
Vehicles	(3.715.061)	(273.601)	59.607	(3.929.055)
Furniture and Fixtures	(3.743.549)	(153.080)	33.398	(3.863.231)
Other Fixed Assets	(11.975.082)	(155.622)	6.007	(12.124.697)
Leasehold Improvements	(50.953)	(24.279)	29.171	(46.061)
Total	**(217.163.023)**	**(13.187.255)**	**1.884.021**	**(228.466.257)**
Tangible Assets, Net	**98.835.817**		**(215.289)**	**90.279.827**

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

Insurance amount of Tangible assets are disclosed in **Not. 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 income statement and are not capitalized The Group does not have any tangible assets which are temporarily inoperative.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

19 INTANGIBLE ASSETS

31.12.2011

Cost

	January 01, 2011	Transfers	Additions	Disposals (-)	December 31, 2011
Rights	266.624	-	1.918	-	268.542
Development Cost	-	-	328.840	-	328.840
Total	**266.624**		**330.758**	**-**	**597.382**

Accumulated Depreciation

	January 01, 2011	Transfers	Period Amortization	Disposals (-)	December 31, 2011
Rights	(219.792)	-	(17.191)	-	(236.983)
Development Cost	-	-	(56.063)	-	(56.063)
Total	**(219.792)**	**-**	**(73.254)**	**-**	**(293.046)**
Intangible Assets, NET	**46.832**	**-**	**-**	**-**	**304.336**

31.12.2010

Cost

	January 01, 2010	Transfers	Additions	Disposals (-)	December 31, 2010
Rights	235.745	-	30.879	-	266.624
Total	**235.745**	**-**	**30.879**	**-**	**266.624**

Accumulated Depreciation

	January 01, 2010	Transfers	Period Amortization	Disposals (-)	December 31, 2010
Rights	(198.464)	-	(21.328)	-	(219.792)
Total	**(198.464)**	-	**(21.328)**	**-**	**(219.792)**
		-			
Intangible Assets, NET	**37.281**	**-**		**-**	**46.832**

20 GOODWILL

Movements of Goodwill as of 31.12.2011 and 31.12.2010 are as follows;

	31.12.2011	31.12.2010
Opening Balance January 1	4.056.423	4.399.646
Acquisitions	-	-
Impairments	-	(343.223)
Closing Balance	**4.056.423**	**4.056.423**

As of December 31, 2011 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 (31.12.2010: TL 1.421.859), TL 2.208.029 (31.12.2010: TL 2.208.029), TL 426.535 (31.12.2010: TL 426.535) respectively.

The recoverable amount of cash generating units are determined taking the calculations of value in use or fair value less sales costs into consideration. 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.

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

21 GOVERNMENT GRANT AND ASSISTANCE

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

22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

22.1 Provisions

Provisions for Liabilities	31.12.2011	31.12.2010
Provision for Lawsuits	124.381	124.381
Provision for Costs	-	585.970
Provision for Unused Authorization	799.609	-
Provision for Factoring Commissions	511.909	
Total	**1.435.899**	**710.351**

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

31.12.2011	Provision for Lawsuits	Provision for Costs	Allowance for Cost Expense	Provision for Authorization	Provision for Factoring Commission	Total
October 1, 2011	124.381	579.900	6.070	-	-	710.351
Additional provisions	-	-	-	799.609	511.909	1.311.518
Payments	-	(579.900)	(6.070)	-	-	(585.970)
Provisions cancelled	-	-	-	-	-	-
December 31, 2011	**124.381**	**-**	**-**	**799.609**	**511.909**	**1.435.889**

31.12.2010	Provision for Lawsuits	Provision for Costs (*)	Total
October 1, 2011	78.395	2.066.414	2.144.809
Additional provisions	124.381	585.970	710.351
Payments	(78.395)	(2.066.414)	(2.144.809)
Provisions cancelled	-	-	-
December 31, 2011	**124.381**	**585.970**	**710.351**

(*) The TL 579.900 of the Provision for Costs amount consists of the raising prices concerned with the Collective Bargaining Agreement.

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

22.2 Contingent Assets and Liabilities;

Contingent Events;

31.12.2010

The Group make provisions for doubtful receivables for the receivables which have not been collected even they have been come to maturity As of 31.12.2010; the Group made provision for receivables amount of TL 3.831.452 and in the previous year, provisions for lawsuits amount of TL 124.381 for the lawsuits against the Group.

31.12.2010

The Group make provisions for doubtful receivables for the receivables which have not been collected even they have been come to maturity As of 31.12.2010; the Group made provision for receivables amount of TL 3.755.660 and provisions for lawsuits amount of TL 124.381 for the lawsuits against the Group.

22.3 Commitments Not Presented in the Liabilities of the Balance Sheet;

Description	Type of Currency	31.12.2011 Currency Amount	31.12.2011 TL Amount	31.12.2010 Currency Amount	31.12.2010 TL Amount
Sarkuysan Letters of Guarantees Given	TL	-	161.286.806	-	60.656.164
Sarkuysan Letters of Guarantees Given	USD	9.000	17.000	9.000	13.914
Sarmakina Letters of Guarantees Given	TL	-	32.120	-	32.120
Sarmakina Letters of Guarantees Given	USD	217.495	410.826	117.495	181.647
Sarmakina Letters of Guarantees Given	EURO	4.760	11.632	-	-
Bektaş Letters of Guarantees Given	TL	-	6.342	-	6.342
Ege Free Zone Letters of Guarantees Given	TL	-	-	-	2.841
Ege Free Zone Letters of Guarantees Given	USD	1.838	3.471		
Total			**161.768.197**		**60.893.028**
Sarkuysan Bails Given (*)	TL	-	6.342	-	6.342
Sarkuysan Bails Given (*)	USD	-	-	22.500	34.785
Sarkuysan Bails Given (*)	EUR	500.000	1.221.900	542.666	1.111.976
Sarkuysan Bails Given (**)	USD	6.000.000	11.333.400	1.000.000	1.546.000
Bektaş Bails Given (***)	TL	-	1.622.675	-	1.622.675
Total			**14.184.317**		**4.321.778**
Sarda Letters of Guarantees Taken	TL	-	890.000	-	790.000
Sarkuysan Letters of Guarantees Taken	TL		10.265.000	-	9.060.000
Sarkuysan Letters of Guarantees Taken	USD	4.645.000	8.773.941	3.622.840	5.600.911
Sarkuysan Letters of Guarantees Taken	EURO	-	-	3.629	7.436
Total			**19.928.941**		**15.458.347**
Sarda Cheques of Guarantees Received	TL	-	1.445.000	-	639.000
Sarkuysan Cheques of Guarantees Received	TL	-	380.000	-	810.000
Sarkuysan Cheques of Guarantees Received	USD	200.000	377.780	200.000	309.200
Total			**2.202.780**		**1.758.200**
Sarkuysan Notes of Guarantees Received	TL	-	9.780.983	-	45.348.031
Sarkuysan Notes of Guarantees Received	USD	18.714.620	35.350.046	6.714.250	10.380.803
Sarkuysan Notes of Guarantees Received	EURO	136.525	333.640	36.215	74.208
Sarda Notes of Guarantees Received	TL	-	750.000	-	750.000
Total			**46.214.669**		**56.553.042**
Sarkuysan Notes of Guarantees Given	TL	-	75.000	-	-
Sarkuysan Notes of Guarantees Given	USD	2.711.644	5.122.024	-	-
Total			**5.197.024**		
Sarkuysan Mortgages Received	TL	-	18.000.000	-	18.600.000
Sarda Mortgages Received	TL	-	5.000.000	-	5.000.000
Total			**23.000.000**		**23.600.000**
Sarkuysan Guarantees of Factoring	TL	-	58.057.385	-	25.679.692
Sarkuysan Hedging Operations	USD	83.076.288	156.922.800	34.677.686	53.611.703
Sarkuysan Hedging Operations	EURO	17.502.567	42.772.773	12.932.617	26.500.225
Sarkuysan Hedging Operations	GBP	602.184	1.756.570	-	-
Total			**259.509.528**		**105.791.620**

In the current period, TL 2.072.780 of the Cheques of Guarantees Received of the company belongs to its customers and TL 130.000 belongs to the enterprises that sell service sales.

Letter of guarantees with the amount of TL 19.718.941 are from the customers and TL 210.000 from service sales.

Notes of Guarantees Received were taken from the customers and suppliers with the amounts of TL 42.477.985 and TL 3.736.684, respectively.

Mortgages Received from the customers that amounts TL 18.000.000 consist of the ones from Bemka to Sarkuysan, on the other hand TL 5.000.000 is generated by the mortgages received by Sarda from Bemka.

Letter of guarantees given with the amount of TL 155.215.134 to Large-size tax payers' office and the remaining part to other public institutions.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

All of the notes of guarantees given consist of those submitted to the Banks.

(*) Bails given to Bektaş (TL 6.342) and Sarmakina (TL 1.221.900) which is consolidated according to full consolidation method.
(**) Bails given to Sark Wire which is consolidated according to full consolidation method.
(***) Bails given to Bemka which is consolidated according to equity method by Bektaş which is consolidated according to full consolidation method

22.4 Total Amount of Insurances on Assets;

31.12.2011

					Insurance Amount	
Asset Insured	**Company**	**Insurance Company**	**Insurance Period**	**Currency**	**TL**	**Foreign Currency**
Interruption Insurance	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	70.000.000
Fire	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	302.555.000
Loss Profit	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	10.279.180
Electronic Equip.	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	3.000.000
Cash Fire-Robbery	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	3.000.000
Product Liability Insurance	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	485.000.000
Carried Money- Value	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	700.000
Breach of Trust	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	400.000
Employer's Liability	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	139.400.000
Individual Accident Insurance	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	360.000.000
Financial Liability Policies of Related Individuals	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	200.000
Sarkuysan- Ak Trade Center Fire	Sarkuysan	Anadolu Sigorta A.Ş.	01.01.2011-31.12.2011	TL	6.545.000	-
Vehicles	Sarkuysan	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	TL	801.700	-
Building (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	798.522
Furniture and Fixtures (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	59.700
Machine (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	527.855
Commodity (Robbery)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	550.000
Fixtures (Robbery)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	59.700
Machinery and Facility (Robbery)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	527.855
Loss Profit	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	100.000
Interruption of Glass	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	1.000
Carried Money – Value	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	350.000
Breach of Trust	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	200.000
Safe Content	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	200.000
Interruption of Machinery	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	1.900.000
Electronic Equipment	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	204.000
SKS Factory-Gebze (Fire)	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	130.000
SMK Factory – Gebze (Fire)	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	7.703.000
Financial Liability Policies of Related Individuals	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	200.000
Vehicles	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	TL	110.950	-
Fire and Robbery	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	200.000
Carried Money – Value	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	360.000
Breach of Trust	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	25.000
Safe Content	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	1.000.000
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	TL	79.651	-
Commodity	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	20.000
Altunizade building (Fire)	Sarda A.Ş.	Anadolu Sig. A.Ş.	01.01.2011-31.12.2011	TL	654.500	-
Fire	Bektaş A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	2.665.000
Individual Accident Insurance	Bektaş A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	150.000
Employer's Liability	Bektaş A.Ş.	Axa Sigorta A.Ş.	01.01.2011-31.12.2011	USD	-	200.000
Total					**8.191.801**	**1.392.665.812**

31.12.2010

Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount TL	Insurance Amount Foreign Currency
Interruption Insurance	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	65.000.000
Fire	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	265.955.000
Loss Profit	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	-
Electronic Equipment	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	3.000.000
Cash Fire-Robbery	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	5.000.000
Product Liability Insurance	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	400.000.000
Carried Money – Value	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	2.750.000
Breach of Trust	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	400.000
Employer's Liability	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	139.800.000
Individual Accident Insurance	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	370.500.000
Financial Liability Policies of Related Individuals	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	200.000
Sarkuysan- Ak Trade Center Fire	Sarkuysan	Anadolu Sigorta A.Ş.	01.01.2010-31.12.2010	TL	3.742.500	-
Sarkuysan- Ak Trade Center Interruption of Glass	Sarkuysan	Anadolu Sigorta A.Ş.	01.01.2010-31.12.2010	TL	530.640	-
Vehicles	Sarkuysan	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	TL	837.923	-
Sarkuysan- Ak Trade Center - Financial Liability Policies of Related Individuals	Sarkuysan	Anadolu Sigorta A.Ş.	16.05.2010-16.05.2011	TL	540.112	-
Building (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	248.522
Commercial Goods (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	550.000
Furniture and Fixtures (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	59.700
Machine (Fire)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	527.855
Additional Guarantees	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	1.634.599
Terror	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	1.634.599
Earthquake	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	1.634.599
Commercial Goods (Robbery)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	550.000
Furniture and Fixtures (Robbery)	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	59.700
Machine installation Robbery	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	527.855
Loss Profit	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	100.000
Interruption of Glass	Ege Ser. Bölge	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	1.000
Carried Money – Value	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	350.000
Breach of Trust	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	200.000
Cash content	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	100.000
Interruption Insurance	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	1.900.000
Furniture and Fixtures	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	195.577
SKS Factory –Gebze Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	328.685
SMK Factory –Gebze Fire	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	7.311.816
Financial Liability of Related Individuals	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	200.000
Vehicles	Sarmakina A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	TL	110.950	-
Fire Robbery	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	200.000
Carried Money	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	360.000
Breach of Trust	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	25.000
Cash	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	1.000.000
Vehicles	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	TL	125.373	-
Commercial Goods	Sarda A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	USD	-	260.000
Sarkuysan- Ak Trade Center - Liability Policies of Related Individuals	Sarda A.Ş.	Anadolu Sigorta A.Ş.	16.05.2010-16.05.2011	TL	3.025	-
Sarkuysan- Ak Trade Center. Interruption Insurance	Sarda A.Ş.	Anadolu Sigorta A.Ş.	11.05.2010-11.05.2011	TL	26.076	-
Personal Accident Insurance	Bektaş A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	TL	150.000	
Employer's Liability	Bektaş A.Ş.	Axa Sigorta A.Ş.	01.01.2010-31.12.2010	TL	200.000	
Total					**6.266.599**	**1.272.564.507**

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

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

Mortgages & Guarantees Given by the Company	31.12.2011	31.12.2010
A. Total amount of M&G Given on behalf of the Group	166.965.221	60.893.028
B. Total amount of M&G Given on behalf of the Subsidiaries and Affiliated	12.561.642	2.699.103
C. Total Amount of M&G Given on behalf of the third person liability in order to sustain usual business activities.	-	-
D. Total Amount of other M&G Given	1.622.675	1.622.675
i. Total Amount of M&G Given on behalf of main shareholder		
ii. Total Amount of M&G Given on behalf of other affiliated companies which can not be classified under section B and C.	1.622.675	1.622.675
iii. Total Amount of M&G Given on behalf of the third person that cannot be classified under section C.	-	-
Total	**181.149.538**	**65.214.806**

As of December 31, 2011, the ratio of Mortgages and Guarantees Given to Shareholders' Equity is 0,006%: (31.12.2010: 0,006%)

23 COMMITMENTS

None.

24 EMPLOYEE TERMINATION BENEFITS

Account Name	31.12.2011	31.12.2010
Provisions For Termination Indemnity	10.553.756	8.629.399
Total	**10.553.756**	**8.629.399**

In context of current Labour Law, liability of payment of legal benefit for termination indemnity arises when terminated employment contract is qualified for termination indemnity. In addition, according to currently operated Social Insurance Law making payment to employee, who has the right of severance with termination indemnity, is a legal liability As of December 31, 2011, termination indemnity upper limit is monthly TL 2.805,04 (December 31, 2010: TL 2.623,23).

Termination indemnity payable is not subjected to any legal funding.

Termination indemnity payable, is calculated by forecasting the present value of currently working employee's possible future liabilities IAS 19 ("Employee Termination Benefits"), predicts to build up Group's liabilities with using actuarial valuation techniques in context of defined benefit plans. According to these predictions, actuarial assumptions used in calculation of total liabilities are as follows:

Base assumption is the inflation parallel increase of maximum liability of each year Applied discount rate must represent expected real discount rate after the adjustment of future inflation As of December 31, 2011, provisions in financial statement are calculated by forecasting the present value of currently working employee's possible future liabilities.

The provisions at the balance sheet dates have been calculated assuming an annual inflation rate of 5,10% and a discount rate of 10%. The real discount rate of 4,66% (31.12.2010: 4,66%) was used in the computation. Employee termination benefits related to severance for December, 31 2011 probability estimate was calculated as 99%. (31.12.2010: 97%). There were not any changes in discount assumptions in the current period by the management.

Movements of Provisions for Termination Indemnity are as follows;

	January 1, 2011 – December 31, 2011	January 1, 2010 – December 31, 2010
Provision as of January 1	8.629.399	6.628.774
Current Period Service Cost	1.716.830	613.969
Interest Cost	393.356	1.145.290
Actuarial Income/Loss	1.134.217	638.371
Previous year service cost	-	172.005
Payments	(1.320.046)	(569.010)
Closing Balance	**10.553.756**	**8.629.399**

25 RETIREMENT BENEFIT PLANS

None.

26 OTHER ASSETS AND LIABILITIES

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

Account Name	31.12.2011	31.12.2010
Prepaid Expenses	3.366.878	1.934.431
Income Accruals	1.093.615	616.645
Personnel Advances	-	93
Job Advances	2.914	43.822
Prepaid Taxes	370.192	818.711
Deferred V.A.T	119.830	7.575.516
Other V.A.T	-	83.377
Advances Given For Purchases	3.871.872	2.333.969
Other doubtful assets	252.092	-
Provisions for Other doubtful Assets (-)	(252.092)	-
Other	365.375	509.439
Total	**9.190.676**	**13.916.003**

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

Provisions for other doubtful assets:

Account Name	31.12.2011	31.12. 2010
Opening balance	-	-
Received amount in the current year	-	-
Provisions cancelled	-	-
Period cost	252.092	-
Closing balance	**(252.092)**	**-**

Group's Other Non-Current Assets for the periods ended, are as follows:

Account Name	31.12.2011	31.12.2010
Other	-	11.714
Total	**-**	**11.714**

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

Account Name	31.12.2011	31.12.2010
Advances Received	5.483.673	7.213.128
Taxes and Funds Payable	193.602	407.796
Social Security Institution Payable	89.034	78.775
Income for the following months	555.807	22.513
Expense Accruals (*)	4.401.842	1.704.362
Other	23.269	62
Total	**10.747.227**	**9.426.636**

(*) TL 3.656.722 (31.12.2010; 1.006.142 TL) of the Expense Accruals related with the foreign currency loss belongs to Codelco which is the one of the group's supplier and the part that amounts TL 489.974 (31.12.2010; 426.939 TL) is related with the provision for Commission of Foreign Sales and the part that amounts TL 255.146 (31.12.2010; 271.281 TL) is related for other expense accruals.

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

27 SHAREHOLDERS' EQUITY

27.1 Minority Shares

Balance Sheet	31.12.2011	31.12.2010
Minority Shares	149.717	129.438
Total	**149.717**	**129.438**

Income Statement	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Minority Shares	20.279	12.505
Total	**20.279**	**12.505**

Minority Shares Movement table is as follows:

	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
1 January	129.438	116.933
Share from Current Period Profit	34.510	25.648
Capital Increase	-	-
Profit Distribution	(14.231)	(13.147)
Other	-	4
Closing Balance	**149.717**	**129.438**

27.2 Capital

Account Name	31.12.2011	31.12.2010
Capital	50.000.000	50.000.000
Capital Adjustments Differences	62.162.278	62.162.278
Value Increase Funds	36.754.096	49.304.362
Foreign Currency Exchange Differences	926.194	994.874
Restricted Reserves	13.988.391	12.795.733
Previous Years' Profit	95.708.285	79.790.269
Net Period Profit	30.290.181	11.433.283
Parent Company Shareholders' Equity	**289.829.425**	**266.480.799**
Minority Shares	149.717	129.438
Total Shareholders' Equity	**289.979.142**	**266.610.237**

27.3 Capital/Share Capital/Elimination Adjustments

All of the equity is open public and there is no shareholder who has right more than 10%.

Increase in Capital:

None.

Changes in Shareholder Structure

None.

27.4 Restricted Reserves from Profit

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

27.5 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	31.12.2011	31.12.2010
Extraordinary Reserves	51.688.525	49.536.638
Other Previous Years' Profits/(Losses)	44.019.760	30.253.631
Total	**95.708.285**	**79.790.269**

In accordance with the CMB's decision numbered 7/242 dated on February 25, 2005; if the amount of net distributable profit based on the CMB's requirement on the minimum profit distribution arrangements, which is computed over the net profit determined based on the CMB's regulations, 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 carrying net loss for the period. Based on the declaration concerning the publicly held corporations on January 27, 2010 by the Capital Markets Board of Turkey, it is decided that there will be no minimum dividend payment obligation.

Capitalization issue of Equity Inflation Adjustment Differences and Extraordinary Reserves registered values can be used in deduction of cash profit distribution or loss. However, Equity Inflation Adjustment Differences will be liable to corporate tax if it is used in cash profit distribution.

27.6 Value Increase Funds

The Group was subject to valuation for its investment properties for the first time at 2009 and based on this valuation, the Group had recognised the valuation differences under the equity. These deferred tax liabilities, which are corresponded to the value increase funds, had been offset from the fund. The calculations regarding to revaluation done by Elit Gayrimenkul Değerleme A.Ş as of December 31, 2010 and December 31, 2011 for the investment properties are disclosed in Note:17. The Value increases related with investment properties that are subject to valuation for the first time in the current period are recognised in shareholders' equity. On the other side, the Value increases related with investment properties that are subject to revaluation (valuated in the past years) during the current period are recognised within the context of income statement.

27.7 Other

In accordance with the communiqué numbered Serie:XI, No: 29 which became effective as of January 1, 2008 and the explanatory announcements of the CMB, 'Paid in Capital' has to be shown over the legal registered amounts of 'Restricted Reserves Assorted from Profit' and 'Share Premium'. During the application of this communiqué, the differences occurred in the valuation shall be disclosed:

- As a separate line item "Capital Adjustment Differences" on the shareholders' equity statement when the difference is due to Paid in capital and has not yet added to the Capital,
- As part of the "Prior Period Profit/Loss" if the difference is due to the of Restricted Reserves Assorted from Profit and Share Premium and the profit distribution not yet occurred or not yet become subject to Capital increase.

Other Equity accounts shall be disclosed in accordance with the CMB Standards.

28 SALES AND COST OF SALES

Breakdown of Sales for the periods ended are as follows:

Account Name	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Domestic Sales	1.298.994.430	888.039.838
Foreign Sales	898.323.026	634.066.826
Rental Income From Investment Properties	2.147.364	1.974.898
Other Sales	23.148.645	23.669.237
Sales returns (-)	(8.716.089)	(3.946.384)
Discounts (-)	(11.257.367)	(27.088.863)
Net Sales	**2.202.640.009**	**1.516.715.552**
Cost of Sales (-)	**(2.154.343.486)**	**(1.508.268.098)**
Gross Operating Profit/(Loss)	**48.296.523**	**8.447.454**

Details of Cost of Sales are as follows:

Account Name	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Cost of Products Sold (-)	(1.827.483.516)	(1.264.276.529)
Cost of Commercial Goods Sold (-)	(305.312.751)	(223.484.119)
Cost of Services Sold (-)	(17.978.184)	(14.274.766)
Cost of Other Sales (-)	(3.569.035)	(6.232.684)
Cost of Sales (-)	**(2.154.343.486)**	**(1.508.268.098)**

Production Quantities	Amount	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Copper Wire	Tons	147.129	142.023
Copper Pipe, Bars, Bronze, etc.	Tons	13.140	10.952
Copper bar, plate	Tons	246	234
Steel, Reel Dimensions	Units	495	2.342
Machine Manufacturing	Units	42	45

Production Quantities	Amount	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Copper Wire	Tons	147.854	140.945
Copper Pipe, Bars, Bronze, etc.	Tons	12.958	10.792
Enamel copper wire	Tons	712	-
Copper bar, plate	Tons	246	234
Steel, Reel Dimensions	Units	495	2.342
Machine Manufacturing	Units	42	45

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES AND GENEREAL ADMINISTRATION EXPENSES

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

Account Name	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Marketing, Sales & Distribution Expenses (-)	(15.225.124)	(11.334.712)
General Administration Expenses (-)	(15.019.823)	(15.564.612)
Research and Development Expenses (-)	(942.099)	(1.143.527)
Total Operation Expenses	**(31.187.047)**	**(28.042.851)**

30 EXPENSES RELATED TO THEIR NATURE

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

Marketing, Sales & Distribution Expenses	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Personnel Expenses	(4.765.320)	(3.806.146)
Market Research Expenses	(253.304)	(92.084)
Termination Indemnity Expenses	(31.824)	(11.874)
Communication Expenses	(160.479)	(149.451)
Transportation Expenses	(3.304.902)	(2.358.677)
Packaging Expenses	(4.447.392)	(3.196.218)
Rent Expenses	(135.475)	(87.978)
Advertisement Expenses	(153.009)	(67.907)
Building Maintenance and Repair Expenses	(1.655)	(13.782)
Insurance Expenses	(217.227)	(288.657)
Taxes, Duties and Charges Expenses	(82.876)	(67.572)
Depreciation Expenses	(100.154)	(274.231)
Representation Expenses	(55.001)	(4.825)
Vehicle Expenses	(213.458)	(184.192)
Other	(1.303.048)	(731.118)
Total	**(15.225.124)**	**(11.334.712)**

General Administration Expenses	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Personnel Expenses	(9.388.012)	(7.965.494)
Communication Expenses	(290.534)	(296.847)
Scholarship Expenses	(266.334)	(252.267)
Representation Expenses	(142.752)	(162.791)
Insurance Expenses	(116.545)	(226.532)
Consultancy Expenses	(439.568)	(312.518)
Building Maintenance and Repair Expenses	(28.623)	(18.215)
Termination Indemnity Expenses	(1.016.134)	(2.471.081)
Rent Expenses	(92.613)	(145.818)
Taxes, Duties and Charges Expenses	(550.799)	(192.164)
Advertisement Expenses	(71.330)	(305.784)
Depreciation Expenses	(563.839)	(1.659.673)
Travel Expenses	(34.367)	(57.296)
Letter of Guarantee Commission Expenses	(245.172)	-
Vehicle Expenses	(120.540)	(70.621)
Other	(1.897.833)	(1.427.511)
Total	**(15.019.823)**	**(15.564.612)**

Research & Development Expenses	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Personnel Expenses	(458.405)	(933.736)
Outsourced Benefits and Services	(9.092)	(7.536)
Depreciation Expenses	(86.998)	(45.166)
Other	(387.604)	(157.089)
Total	**(942.099)**	**(1.143.527)**

(*) R&D expenses in the current period are TL 1.270.939 and TL 328.840 of its capitalized.

The distribution of depreciation expenses that are stated in the income statement are as follows;

	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Cost of Sales	(9.877.427)	(11.584.691)
Marketing, Sales & Distribution Expenses	(100.154)	(274.231)
General Administration Expenses	(563.839)	(1.659.673)
Research & Development Expenses	(86.998)	(45.166)
Idle Capacity Expenses	-	(36.266)
Total	**(10.628.418)**	**(13.600.027)**

The distribution of the personnel expenses that are stated in the income statement are as follows;

	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Cost of Sales	(23.073.433)	(21.820.629)
Marketing, Sales & Distribution Expenses	(4.765.320)	(3.806.146)
General Administration Expenses	(9.388.012)	(7.965.494)
Research & Development Expenses	(458.405)	(933.736)
Total	**(37.685.170)**	**(34.526.005)**

31 OTHER OPERATING INCOME/EXPENSE

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

Other Income	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Previous Period Revenues and Profits	209.643	3.795
Provisions for Doubtful Receivables Released	13.628	83.412
Profit on Sale of Fixed Assets	39.088.580	492.700
Rent Income	992.150	838.951
Insurance Indemnity Revenue Income	161.479	201.886
Profit on Sale of Marketable Securities	-	172.808
Inventory Differences	15.463.399	12.108.871
Investment Properties Fair Value Profits	3.910.556	6.645.886
Incentive Premium	11.615	43.207
Other	776.409	643.707
Total	**60.627.459**	**21.235.223**

Expenses from Other Operations for the periods ended are as follows:

Other Expenses	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Previous Period Expenses and Losses	(124.787)	(19.848)
Provisions for Doubtful Receivables Expenses	(340.357)	(6.214)
Provisions for Lawsuits Expenses	-	(124.381)
Idle Capacity Expenses	(142.699)	(150.876)
Provision for Decrease in Value of Goodwill	-	(343.223)
Provision for unused authorization	(799.609)	-
Provision for Decrease in Value of Inventories	(16.155)	-
Donations and Aid	(118.932)	(146.572)
Commission Expenses	(691)	(534)
Other	(136.440)	(361.638)
Total	**(1.679.670)**	**(1.153.286)**

32 FINANCIAL INCOME

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

Financial Income	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Interest Income	5.775.473	3.397.461
Foreign Exchange Gain	128.952.530	92.390.005
Incomes Provided from Derivative Transactions	19.818.208	9.273.163
Interest Eliminated from Sales	7.782.684	4.033.491
Rediscount Interest Income	591.667	185.721
Cancellation of Previous Period's Rediscount Expense	608.915	666.934
Total	**163.529.477**	**109.946.775**

33 FINANCIAL EXPENSES

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

Financial Expenses	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Interest Expense (-)	(21.471.301)	(15.556.795)
Foreign Exchange Loss (-)	(163.231.002)	(74.307.349)
Expenses from Derivative Transactions (-)	(16.826.397)	(5.715.606)
Late Interest Expense (-)	(144.625)	(137.296)
Interest Eliminated from purchases	(1.352.535)	(786.601)
Letter of Guarantee commission expenses	(245.172)	-
Rediscount Expense of Current Period (-)	(2.106.911)	(608.915)
Cancellation of Previous Period's Rediscount	(185.720)	(180.168)
Total	**(205.563.663)**	**(97.292.730)**

34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None.

35 TAX ASSETS AND LIABILITIES

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

Account Name	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Current Corporate Tax Provision (-)	(2.675.546)	(3.866.146)
Deferred Tax Income/(Expense)	1.908.896	1.828.693
Total Tax Income/(Expense)	**(766.650)**	**(2.037.453)**

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	31.12.2011	31.12.2010
Provision for Taxes	2.675.546	3.866.146
Prepaid Taxes	(2.567.000)	(3.820.390)
Total Tax Liabilities of Current Period	**108.546**	**45.756**

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

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

According to Corporate Tax Law's Article: 20, the corporate tax is imposed by the taxpayer's tax returns. There is no procedure for a final and definitive agreement on tax assessments. Annual corporate tax returns are submitted until the 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.

The information about the consolidated temporary tax and provision of tax for the period ended as follows:

Account Name	01.01.2011-31.12.2011	01.01.2010-31.12.2010
Trade Profit/(Loss)	**51.622.978**	**15.957.452**
Additions	**4.674.951**	**3.420.418**
Rediscount on Notes and Cheques	503.947	259.079
Other Non allowable Charges	803.184	493.197
Provision for Termination Indemnity	3.263.029	2.590.738
Donations and Aid	104.791	77.404
Participation Income	-	-
Discount from Tax Base (-)	**(45.920.472)**	**(4.874.384)**
Participation Income	(3.389.051)	(2.732.334)
Research & Development Discount	(1.238.172)	(1.054.143)
Rediscount on Notes and Cheques	(259.079)	(142.081)
Donations and Aid	(104.692)	(77.404)
Termination Indemnity Rediscounted from Basis (Payment Balance)	(1.320.046)	(594.785)
75% Profit of Property Sell	(39.303.760)	-
Incomes Received from Free Zones	(115.989)	(273.637)
Other Discounts	(189.683)	-
Fiscal Profit/(Loss)	**10.377.457**	**14.503.486**

Effective Corporate Tax Rate:

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

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

Income Withholding Tax:

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

35.2 Deferred Tax:

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

Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every accounting year, the Group reviews the deferred tax asset and in circumstances, where the deferred tax assets 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	**31.12.2011 Accumulated Permanent Differences**	**31.12.2010 Accumulated Permanent Differences**	**31.12.2011 Deferred Tax Receivable/ (Payable)**	**31.12.2010 Deferred Tax Receivable/ (Payable)**
Fixed Assets	(18.342.486)	(19.939.097)	(3.668.497)	(3.987.819)
Investment Property Valuation Differences (Equity)	(37.928.645)	(51.139.452)	(1.896.432)	(2.556.973)
Investment Property Valuation Differences (Income Statement)	(8.726.126)	(6.645.886)	(436.306)	(332.294)
Fiscal Loss	68.235	843.530	13.647	168.706
Elimination of Profit Margin on Inventories	485.200	191.215	97.040	38.243
Depreciation Expense Allocated to Inventories	69.500	(380.125)	13.900	(76.025)
Rediscount Expense	2.106.910	608.915	421.382	121.783
Provision for Termination Indemnity	10.481.930	8.548.435	2.096.386	1.709.687
Provision for Doubtful Receivables	668.360	88.380	133.672	17.676
Provision for Law Suits	124.380	124.380	24.876	24.876
Provision for Decrease in Value of Inventories	55.770	39.615	11.154	7.923
Provision for Effective Interest Expense	(109.515)	74.930	(21.903)	14.986
Rediscount of Payables	(591.665)	(175.435)	(118.333)	(35.087)
Net Expenses/Income from Derivative Transactions	1.515.880	1.854.305	303.176	370.861
Provision for Unused Authorization	799.610	-	159.922	-
Special Funds	(6.530.705)	(6.713.305)	(1.306.141)	(1.342.661)
Factoring Commissions Accrual Expenses	511.909	-	102.382	-
Periodic Shift	555.805	-	111.161	-
Other	58.467	-	11.692	-
Deferred Tax Assets/Liabilities			**(3.947.222)**	**(5.856.118)**

	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Balance at the beginning of the period	(5.856.118)	(7.176.672)
Recognized at other comprehensive income statement	-	(28.053)
Tax Refund	-	(480.086)
Deferred Tax Income/(Expense)	1.908.896	1.828.693
Balance at the end of the period	**(3.947.222)**	**(5.856.118)**

Reconciliation of Tax Provision for the periods ended is as follows;

Reconciliation of Tax Provision	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Profits obtained from continuing operations	31.077.111	13.483.241
Income tax rate 20%	(6.215.422)	(2.696.648)
Tax effect:		
-Non-taxable Income	5.609.409	836.365
-Non-allowable Expenses	(160.637)	(98.639)
-Other Temporary Differences	-	(78.531)
Deferred Tax Income	**(766.650)**	**(2.037.453)**

36 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:

	01.01.2011 31.12.2011	01.01.2010 31.12.2010
Net Profit For The Period/(Loss)	30.290.181	11.433.283
Weighted Average Number of Common Shares Outstanding	50.000.000	50.000.000
Earnings per Share	**0,60580**	**0,22867**

37 EXPLANATIONS OF RELATED PARTIES

37.1 Balances of Related Parties:

	Receivables		Liabilities	
December 31, 2011	**Commercial**	**Non-Commercial**	**Commercial**	**Non-Commercial**
Bemka	46.235.221	-	-	-
Demisaş	453.351	-	-	-
Shareholders	-	-	-	101.574
Total	**46.688.572**	**-**	**-**	**101.574**

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

	Receivables		Liabilities	
December 31, 2010	Commercial	Non-Commercial	Commercial	Non-Commercial
Bemka	34.171.270	-	-	-
Demisaş	291.372	-	-	-
Shareholders	-	-	-	92.043
Total	**34.462.642**	**-**	-	**92.043**

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

37.2 Details of the Purchases and Sales of Related Parties:

31.12.2011

Related Parties	Good and Service Sales	Rent Income	F/X – Interest Expense	Other Sales	Total
Bemka	62.371.610	794.751	10.968.300	107.135	74.241.796
Demisaş	3.391.055	96.000	-	130.477	3.617.532
Total	**65.762.665**	**890.751**	**10.968.300**	**237.612**	**77.859.328**

Related Parties	Purchase of Goods and Services	Rent Expense	F/X – Interest Expense	Other Purchases	Total
Bemka	12.938.674	-	922.196	34.865	13.895.735
Demisaş	-	-	-	5.203	5.203
Total	**12.938.674**	**-**	**922.196**	**40.068**	**13.900.938**

31.12.2010

Related Parties	Good and Service Sales	Rent Income	F/X - Interest Income	Other Sales	Total
Bemka	47.513.831	697.394	2.805.962	36.673	51.053.860
Demisaş	2.028.470	96.000	-	89.256	2.213.725
Total	**49.542.301**	**793.394**	**2.805.962**	**125.929**	**53.267.586**

Related Parties	Purchase of Goods and Services	Rent Expense	F/X – Interest Expense	Other Purchases	Total
Bemka	5.156	-	1.776.190	248.215	2.029.561
Demisaş	126.326	-	1.509	-	127.835
Total	**131.482**	**-**	**1.777.699**	**248.215**	**2.157.396**

37.3 Benefits provided to senior executives:

Benefits provided to senior executives as of December 31, 2011 are TL 4.355.377. (31.12.2010: TL 3.796.202)

38 THE CHARACTERISTICS AND LEVEL OF RISKS EXISTING FROM FINANCIAL INSTRUMENTS

38.1 Capital Risk Management

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

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

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

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

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

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

38.2 Important Accounting Policies

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

38.3 Market Risk

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

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 decreasing 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 purchases contracts have been made in order to decrease of 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 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.

Foreign Exchange Rate Sensitivity Analysis Table

Current Period				
	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	(11.527.938)	11.527.938	-	-
2- The part, hedged from US Dollar Risk (-)	-	-	-	-
3- US Dollar Net Effect (1+2)	**(11.527.938)**	**11.527.938**	**-**	**-**
In the event of 10% value change of Euro against TL;				
4- Euro Net Asset/Liability	2.782.843	(2.782.843)	-	-
5- The part, hedged from Euro Risk (-)	-	-	-	-
6- Euro Net Effect (4+5)	**2.782.843**	**(2.782.843)**	**-**	**-**
In the event of 10% value change of GBP against TL;				
7- GBP Net Asset/Liability	2.643.920	(2.643.920)	-	-
8- The part, hedged from GBP Risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	**2.643.920**	**(2.643.920)**	**-**	**-**
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	**(6.101.175)**	**6.101.175**	**-**	**-**

Previous Period				
	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	(20.737.973)	20.737.973	-	-
2- The part, hedged from US Dollar Risk (-)	-	-	-	-
3- US Dollar Net Effect (1+2)	**(20.737.973)**	**20.737.973**	**-**	**-**
In the event of 10% value change of Euro against TL;				
4- Euro Net Asset/Liability	2.659.344	(2.659.344)	-	-
5- The part, hedged from Euro Risk (-)	-	-	-	-
6- Euro Net Effect (4+5)	**2.659.344**	**(2.659.344)**	**-**	**-**
In the event of 10% value change of GBP against TL;				
7- GBP Net Asset/Liability	722.076	(722.076)	-	-
8- The part, hedged from GBP Risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	**722.076**	**(722.076)**	**-**	**-**
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	**(17.356.553)**	**17.356.553**	**-**	**-**

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

Table of Foreign Exchange Position

Current Period

	TL Value	USD	Euro	GBP	Other
1. Trade Receivables	281.917.193	103.802.766	25.377.080	8.168.543	-
2a. Monetary Financial Assets	111.146.458	53.874.866	2.734.273	925.679	-
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	3.493.849	1.849.674	-	-	-
4. Current Assets Total (1+2+3)	**396.557.500**	**159.527.306**	**28.111.353**	**9.094.222**	**-**
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Fixed Assets Total (5+6+7)	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**396.557.500**	**159.527.306**	**28.111.353**	**9.094.222**	**-**
10. Trade Payables	150.214.324	78.392.746	861.011	11.699	-
11. Financial Liabilities	338.718.603	158.817.890	15.847.242	-	-
12a. Other Monetary Liabilities	-	-	-	-	-
12b. Other Non-Monetary Liabilities	5.240.376	2.725.070	15.741	18.691	-
13. Total Short Term Liabilities (10+11+12)	**494.173.303**	**239.935.706**	**16.723.994**	**30.390**	**-**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-
17. Total Long Term Liabilities (14+15+16)	**-**	-	-	-	-
18. Total Liabilities (13+17)	**494.173.303**	**239.935.706**	**16.723.994**	**30.390**	**-**
19. Net Asset/(Liability) Position of Derivative Instruments off the Balance Sheet (19a-19b)	**36.604.049**	**19.378.500**	-	**-**	**-**
19a. Total Amount of Hedged Assets	-	-	-	-	-
Table of Foreign Exchange Position					
19b. Total Amount of Hedged Liabilities	36.604.049	19.378.500	-	-	-
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	**(61.011.754)**	**(61.029.900)**	**11.387.359**	**9.063.832**	**-**
21. Monetary Items Net Foreign Exchange Asset/(liability) position (1+2a+3+5+6a-10-11-12a-12b-14-15-16a)	**(95.869.275)**	**(79.533.004)**	**11.403.100**	**9.082.524**	**-**
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	**-**	**-**	**-**	**-**	**-**
22a. The Amount of Hedged part of Foreign Exchange Assets	**-**	**-**	**-**	**-**	**-**
22b. The Amount of Hedged part of Foreign Exchange Liabilities	**-**	**-**	**-**	**-**	**-**
23. Export	**913.378.170**	**241.516.862**	**191.871.072**	**23.635.712**	**-**
24. Import	**1.668.685.827**	**1.004.882.29**	**1.210.895**	**71.604**	**65.677**

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

Table of Foreign Exchange Position					
Previous Period					
	TL Value	**USD**	**Euro**	**GBP**	**Other**
1. Trade Receivables	158.884.730	73.917.627	18.348.553	2.934.798	-
2a. Monetary Financial Assets	22.675.047	13.801.960	575.910	65.779	-
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	1.941.198	1.158.922	37.179	30.696	-
4. Current Assets Total (1+2+3)	**183.500.975**	**88.878.509**	**18.961.641**	**3.031.274**	**-**
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Fixed Assets Total (5+6+7)	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**183.500.975**	**88.878.509**	**18.961.641**	**3.031.274**	**-**
10. Trade Payables	60.475.679	37.884.683	926.344	3.260	-
11. Financial Liabilities	300.756.494	187.905.474	5.004.456	-	-
12a. Other Monetary Liabilities	-	-	-	-	-
12b. Other Non-Monetary Liabilities	708.872	380.894	52.734	5.004	-
13. Total Short Term Liabilities (10+11+12)	**361.941.045**	**226.171.051**	**5.983.535**	**8.264**	**-**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-
17. Total Long Term Liabilities (14+15+16)	-	-	-	-	-
18. Total Liabilities (13+17)	**361.941.045**	**226.171.051**	**5.983.535**	**8.264**	**-**
19. Net Asset/(Liability) Position of Derivative Instruments off the Balance Sheet (19a-19b)	**4.874.538**	**3.153.000**	-	-	-
19a. Total Amount of Hedged Assets	4.874.538	3.153.000	-	-	-
Table of Foreign Exchange Position					
19b. Total Amount of Hedged Liabilities	-	-	-	-	-
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	**(173.565.532)**	**(134.139.542)**	**12.978.107**	**3.023.010**	**-**
21. Monetary Items Net Foreign Exchange Asset/(liability) position (1+2a+3+5+6a-10-11-12a-12b-14-15-16a)	**(177.731.198)**	**(136.911.648)**	**13.030.841**	**3.028.014**	**-**
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	**-**	**-**	**-**	**-**	**-**
22a. The Amount of Hedged part of Foreign Exchange Assets	**-**	**-**	**-**	**-**	**-**
22b. The Amount of Hedged part of Foreign Exchange Liabilities	**-**	**-**	**-**	**-**	**-**
23. Export	**636.126.947**	**203.221.823**	**147.975.715**	**16.418.881**	**-**
24. Import	**1.398.358.511**	**905.950.869**	**20.245.572**	**37.935**	**6.868**

Interest Position Table

Fixed Interest Financial Instruments	**Current Period**	**Previous Period**
Financial Assets	13.248.709	10.697.776
Financial Liabilities	(369.704.813)	(303.915.781)
Variable Interest Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

The significant parts of bank deposits of Group are time deposits. All financial liabilities are short term loans.

Increases in interest rates will result with decreases in Income revenue of Group. In 31.12.2011, if TL interest rate was 1 point bigger/lesser than the actual one, profit before tax of Group would be TL 3.564.561 lesser/bigger than the actual one.

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-execution of liabilities resulting from agreement. Group's payment collection risk mostly arises from trade receivables. Trade receivables must be assessed in accordance with corporate policies and procedures for making net value of trade receivables after provision of doubtful receivables are classified. (Note 10)

The financial liabilities expose the Group to interest rate risk.

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

CREDIT TYPES INCURRED IN RESPECT OF FINANCIAL INTRUMENT TYPES

	Receivables						
	Trade Receivables		Other Receivables			Bank	
Current Period	**Related**	**Other**	**Related**	**Other**	**Notes**	**Deposits**	**Notes**
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	**46.688.572**	**391.349.476**	**-**	**52.594.657**		**58.679.046**	
- The part of maximum risk secured by guarantee etc.	-	-	-	-	*22*	-	*22*
A. Net book value of financial assets which are undue or which did not decline in value (2)	**15.935.187**	**391.349.476**	**-**	**52.594.657**	**10-11**	**58.679.046**	**6**
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)	**-**	**-**	**-**		**10-11**	**-**	**6**
C. Net book value of assets, overdue but did not decline in value. (6)	**30.753.385**	**-**	**-**	**-**		**-**	**6**
- The part secured by guarantee etc.	-	-	-	-	**10-11**	-	**6**
D. Net book values of assets declined in value (4)	**-**	**-**	**-**	**-**		**-**	**6**
- Overdue (gross book value)	-	*3.831.452*	-	-	**10-11**	-	**6**
- Decline in value (-)	-	*(3.831.452)*	-	-	**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**
E. Elements containing credit risk off the balance (5)	-	-	-	-		-	

CREDIT TYPES INCURRED IN RESPECT OF FINANCIAL INTRUMENT TYPES

	Receivables						
	Trade Receivables		Other Receivables			Bank	
Previous Period	**Related**	**Other**	**Related**	**Other**	**Notes**	**Deposits**	**Notes**
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	**34.462.642**	**175.726.497**	**-**	**56.224.286**		**37.310.965**	
- The part of maximum risk secured by guarantee etc.	-		-	-	*22*	-	*22*
A. Net book value of financial assets which are undue or which did not decline in value (2)	**34.462.642**	**175.726.497**	**-**	**56.224.286**	**10-11**	**37.310.965**	**6**
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)	**-**	**-**	**-**	**-**	**10-11**	**-**	**6**
C. Net book value of assets, overdue but did not decline in value. (6)	**-**	**-**	**-**	**-**	**-**	**-**	**6**
- The part secured by guarantee etc.	-	-	-	-	**10-11**	-	**6**
D. Net book values of assets declined in value (4)	**-**	**-**	**-**	**-**		**-**	**6**
- Overdue (gross book value)	-	*3.755.660*	-	-	**10-11**	-	**6**
- Decline in value (-)	-	*(3.755.660)*	-	-	**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**
E. Elements containing credit risk off the balance (5)	-	-	-	-		**-**	

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

Notes to the Consolidated Financial Statements as of December 31, 2011

(Amounts are stated in TL unless otherwise stated)

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.

31.12.2011

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	485.542.584	454.497.196	154.110.662	300.386.534	-	-
Loans	*286.643.560*	*292.042.250*	*83.233.729*	*208.808.521*	-	-
Issued debt instrument	-	-	-	-	-	-
Financial Lease Liabilities	-	-	-	-	-	-
Trade Payables	*157.461.518*	*158.053.185*	*66.475.172*	*91.578.013*	-	-
-Related Parties	-	-	-	-	-	-
-Other	*157.461.518*	*158.053.185*	*66.475.172*	*91.578.013*	-	-
Other Payables	*4.401.761*	*4.401.761*	*4.401.761*	-	-	-
-Related Parties	*101.574*	*101.574*	*101.574*	-	-	-
Other	*4.300.187*	*4.300.187*	*4.300.187*	-	-	-

Derivative Financial Instruments	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Cash Flow	-	*92.928.549*	*52.911.040*	*40.017.509*	-	-
Derivative Cash Outflow	-	*88.206.047*	*50.306.828*	*37.899.219*	-	-
Net Derivative Financial Instruments	**-**	***4.722.502***	***2.604.212***	***2.118.290***	**-**	**-**

31.12.2010

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	372.842.220	376.870.381	151.331.554	225.538.827	-	-
Loans	*303.915.781*	*307.758.221*	*82.219.394*	*225.538.827*	-	-
Issued debt instrument	-	-	-	-	-	-
Financial Lease Liabilities	-	-	-	-	-	-
Trade Payables	*62.719.543*	*62.905.264*	*62.905.264*	-	-	-
-Related Parties	-	-	-	-	-	-
-Other	*62.719.543*	*62.905.264*	*62.905.264*	-	-	-
Other Payables	*6.206.896*	*6.206.896*	*6.206.896*	-	-	-
-Related Parties	*92.043*	*92.043*	*92.043*	-	-	-
Other	*6.114.853*	*6.114.853*	*6.114.853*	-	-	-

Derivative Financial Instruments	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Cash Flow	-	*17.802.006*	*6.452.457*	*10.932.979*	*416.570*	-
Derivative Cash Outflow	-	*17.501.728*	*6.344.571*	*10.750.974*	*406.183*	-
Net Derivative Financial Instruments	**-**	***300.278***	***107.886***	***182.005***	***10.387***	**-**

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 operational activities of Group. Financial risks of operation contain market risk (currency rate risk, fair value of interest risk and price risk), loan risk, liquidity risk and cash flow interest rate risk.

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

40 EVENTS AFTER BALANCE SHEET DATE

31.12.2011

In 23.02.2012 Board of director's of Group has decided to increase its capital from TL 50.000.000 to TL 100.000.000. This TL 50.000.000 increase supplied by TL 39.303.760 Property sales and TL 10.696.240 Capital adjustment differences.

31.12.2010

Starting from 01.01.2011 the valid termination indemnity ceiling has been increased to TL 2.623,23

41 OTHER ISSUES

None.

Proposal for Profit Distribution

In line with the Capital Markets Board's communiqués, we propose that after the legal reserve is appropriated and tax is deducted and grants and contributions are included, the net distributable profit in the amount of TL3.988.343 included in the consolidated balance sheet dated 31.12.2011 with TL497.520 profit from previous year, total TL4.485.863 is to be distributed in the manner indicated in the following table in accordance with the 25th Article of the Articles of Incorporation and that a net dividend of 7% is to be paid to the shareholders and that dividend distribution date to be determined as 31.05.2012.

Should this proposal of ours is accepted, for each share of TL1,00 par value forming the paid-up capital of TL50.000.000,00, a gross dividend of 8,2353% (TL0,082353) and a net dividend of 7% (TL0,07) will be paid in cash.

Yours sincerely,

Board of Directors

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ ve TİCARET A.Ş.
PROFIT DISTRIBUTION STATEMENT FOR 2011

1.	Paid-up Capital			50.000.000,00
2.	Total Reserves (According to legal records)			11.856.767
	Privileges with respect to profit distribution as per the Articles of Incorporation			None.
			ACCORDING TO CAPITAL MARKETS LEGISLATION	**ACCORDING TO LEGAL RECORDS**
3.	**PROFIT FOR THE YEAR**		**30.290.181**	**44.934.365**
4.	Taxes to be paid (-)		766.650	771.182
		Corporation tax (-)	*2.675.546*	771.182
		Provision for deferred tax (+)	*1.908.896*	0
5.	**NET PROFIT FOR THE YEAR (Excluding Minority Interest)**		**29.523.531**	**44.163.183**
6.	Loss from previous years (-)		0	0
7.	First legal reserves (-)		242.971	242.971
8.	75% of the Revenues from the sale of real estate		25.421.061	39.303.760
9.	**NET DISTRIBUTABLE PROFIT FOR THE YEAR**		**3.859.499**	**4.616.452**
10.	Donations (+)		128.844	
11.	**Net distributable profit including donations as calculation basis for first dividends**		**3.988.343**	
12.	First dividend to shareholders		199.417	
		In cash	*199.417*	
		Bonus share	*0*	
		Total	*199.417*	
13.	Dividends to preferred shareholders		0	
14.	Dividends to directors		187.683	
15.	Dividends to founder shareholders		0	
16.	Second dividend to shareholders		3.918.231	
		In cash	*3.918.231*	
		Bonus share	*0*	
		Total	*3.918.231*	
17.	Second legal reserves (-)		180.533	
18.	Statutory reserves		0	0
19.	Special reserves		0	0
20.	**EXTRAORDINARY RESERVES**		**0**	**130.588**
21.	Other Distributable Funds		497.520	0
	- Profit from previous period	*497.520*		
	- Extraordinary reserves	*0*		
	- Other distributable reserves as per law and Articles of Incorporation	*0*		

INFORMATION ON DISTRIBUTABLE DIVIDEND

TOTAL DIVIDEND DISTRIBUTION		
ORDINARY SHAREHOLDERS	4.117.648	
DIVIDENDS TO THE BOARD OF DIRECTORS	187.683	
	4.305.331	

INFORMATION ON DIVIDEND PER SHARE

	GROUP	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND PER SHARE OF TL 1	
			AMOUNT (TL)	RATE (%)
GROSS	A	0,42	0,082353	8,2353
	B	4.117.647,08	0,082353	8,2353
	TOTAL	4.117.647,50	0,082353	8,2353
NET	A	0,35	0,07	7,00
	B	3.499.999,65	0,07	7,00
	TOTAL	3.500.000,00	0,07	7,00

RATIO OF NET DISTRIBUTABLE PROFIT TO THE NET PROFIT INCLUDING DONATIONS

TOTAL DIVIDENDS TO SHAREHOLDERS	RATIO OF NET DISTRIBUTABLE PROFIT TO THE NET PROFIT INCLUDING DONATIONS (%)
4.117.647,50	103,24

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