PİMAŞ PLASTİK İNŞAAT MALZEMELERİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

This report consists of 2 pages of Independent auditors report and 62 pages of financial statements and explanatory notes.

(Translated into English from the report originally issued in Turkish)

Deloitte

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pimaş Plastik İnşaat Malzemeleri Anonim Şirketi

We have audited the accompanying consolidated balance sheet of Pimaş Plastik İnşaat Malzemeleri Anonim Şirketi and its subsidiaries (together will be referred as the "Group") as at 31 December 2014, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Group Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards ("TAS") and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards announced by the Capital Market Board and Independent Auditing Standards which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 consolidated financial statements.

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

Deloitte.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pimaş Plastik İnşaat Malzemeleri Anonim Şirketi and its subsidiaries as at 31 December 2014, and of their financial performance and their cash flows for the year then ended in accordance with Turkish Accounting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January-31 December 2014 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

In accordance with paragraph four of the Article 398 of TCC, the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 24 January 2015.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

H. Erdem Selçuk
Partner

Istanbul, 24 February 2015

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AUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

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

ASSETS	Notes	Current Period 31 December 2014	Prior Period 31 December 2013
Current assets		**117.018.162**	**138.475.246**
Cash and cash equivalents	6	23.690.025	35.374.402
Trade receivables		70.851.975	70.627.383
- Trade receivables from related parties	39	-	697
- Trade receivables from third parties	10	70.851.975	70.626.686
Other receivables		636.313	1.049.045
- Other receivables from third parties	11	636.313	1.049.045
Derivative instruments	40	496.075	-
Inventories	13	19.367.521	29.410.563
Prepaid expenses	18	1.048.199	889.490
Other current assets	27	157.454	319.619
SUBTOTAL		**116.247.562**	**137.670.502**
Asset classified as held for sale	36	770.600	804.744
Non-current assets		**73.996.714**	**87.735.857**
Financial investments	7	-	1.117.013
Trade receivables		1.104.288	984.551
- Trade receivables from third parties	10	1.104.288	984.551
Other receivables		238.618	491.461
- Other receivables from third parties	11	238.618	491.461
Property, plant and equipment	20	72.363.937	84.740.479
Intangible asset		218.616	303.076
- Other intangible assets	21	218.616	303.076
Prepaid expenses	18	70.249	98.305
Other non-current asset	27	1.006	972
TOTAL ASSETS		**191.014.876**	**226.211.103**

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

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

LIABILITIES	**Notes**	**Current Period 31 December 2014**	**Prior Period 31 December 2013**
Current liabilities		**81.127.677**	**112.386.883**
Short term financial borrowings	8	36.867.600	64.522.715
Short term portion of long term borrowings	8	410.782	14.371.601
Trade payables		22.428.271	16.465.385
- Trade payables to related parties	39	149.138	7.859
- Trade payables to third parties	10	22.279.133	16.457.526
Short term employee benefits	26	526.513	1.136.307
Other payables		5.307	7.229
- Other payables to third parties	11	5.307	7.229
Deferred income	18	18.124.759	12.714.890
Current tax liabilities	37	14.102	425.794
Provisions		729.641	1.192.103
- Short term provision for employee benefits	26	729.641	1.192.103
Current tax payables	19	2.007.840	1.467.227
Other non-current liabilities		12.862	83.632
Non-current liabilities		**16.743.341**	**6.635.147**
Long term borrowings	8	10.000.000	293.650
Other payables		840.360	812.325
- Other payables to third parties	11	840.360	812.325
Long term provisions		2.779.272	2.655.100
- Long term provision for employee benefits	26	2.779.272	2.655.100
Deferred tax liabilities	37	3.123.709	2.874.072
Equity		**93.143.858**	**107.189.073**
Equity attributable to owners of the parents			
Paid in capital	28	36.000.000	36.000.000
Inflation adjustments on share capital	28	40.802.957	40.802.957
Share premium	28	91.953	91.953
Other comprehensive income or loss that will not be reclassified to profit or loss		55.422.884	56.997.053
- Revaluation fund	28	*55.953.188*	*57.262.267*
- Other losses		*(530.304)*	*(265.214)*
Other comprehensive income or loss that will be reclassified to profit or loss		3.557.855	311.026
- Currency translation reserve		*3.557.855*	*(558.798)*
- Other gains		-	*869.824*
Restricted reserves		5.905.022	5.883.119
Accumulated losses		(31.436.664)	(30.529.226)
Net loss for the period		(17.200.149)	(2.367.809)
TOTAL LIABILITIES		**191.014.876**	**226.211.103**

PİMAŞ PLASTİK İNŞAAT MALZEMELERİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD BETWEEN 1 JANUARY-31 DECEMBER 2014

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

	Notes	Current Period 1 January 31 December 2014	Prior Period 1 January 31 December 2013
PROFIT OR LOSS ITEM			
Revenue	5, 29	175.403.442	171.726.876
Cost of sales (-)	5, 29	(147.533.626)	(137.745.312)
GROSS PROFIT		**27.869.816**	**33.981.564**
General administrative expenses (-)	5, 30	(11.479.892)	(10.145.427)
Marketing expenses (-)	5, 30	(14.321.789)	(13.243.870)
Other income from operating activities	5, 32	2.878.535	4.252.848
Other expenses from operating activities (-)	5, 32	(6.910.843)	(5.007.028)
OPERATING (LOSS) / PROFIT		**(1.964.173)**	**9.838.087**
Income from investment activities	33	819.783	3.141.727
Loss from investment activities	33	(1.584.315)	-
OPERATING (LOSS) / PROFIT BEFORE FINANCE INCOME / (EXPENSES)		**(2.728.705)**	**12.979.814**
Finance expenses (-)	5, 35	(12.787.510)	(15.514.773)
Finance income	5, 34	496.075	-
LOSS BEFORE TAX		**(15.020.140)**	**(2.534.959)**
Tax (expense) / income		**(2.180.009)**	**167.150**
- Current tax expense	5, 37	(1.521.853)	(820.418)
- Deferred tax (expense) / income	5, 37	(658.156)	987.568
LOSS FOR THE PERIOD		**(17.200.149)**	**(2.367.809)**
Distribution of loss for the period			
Non-controlling interest		-	-
Owners of the parent		(17.200.149)	(2.367.809)
Loss per share (TL)			
Loss per share for continuing operations (TL)	38	(0,0048)	(0,0012)

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

AUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2014

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

	Current Period 1 January- 31 December 2014	Prior Period 1 January - 31 December 2013
LOSS FOR THE PERIOD	**(17.200.149)**	**(2.367.809)**
Other comprehensive income / (loss)		
Items that will not be reclassified to profit or loss		
Gain on revaluation of property	8.054	24.786.416
Actuarial loss on defined benefit plans	(331.363)	(331.517)
Deferred tax effect of actuarial loss on defined benefit plans	66.273	66.303
Items that will be reclassified to profit or loss		
Currency translation reserves	4.116.653	(1.946.245)
Other items of compherensive income that may be reclassified subsequently to profit or loss	(765.072)	146.029
Deferred tax expense/income	60.389	(7.301)
Total Comprehensive Income (after tax)	3.154.934	22.713.685
TOTAL COMPREHENSIVE (LOSS) / INCOME	(14.045.215)	20.345.876
Distribution of total comprehensive (loss) / income		
Non-controlling interests	-	-
Owners of the parent	(14.045.215)	20.345.876

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

PİMAŞ PLASTİK İNŞAAT MALZEMELERİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2014

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

				Other comprehensive income or loss that will not be reclassified to profit or loss		Other comprehensive income or loss that will be reclassified to profit or loss					
	Share capital	Inflation adjustment on share capital	Share Premium	Gain / (loss) on revaluation and remeasurement	Other losses	Currency translation reserves	Other gains	Restricted reserves appropriated from profit	Prior years'losses	Net profit / (loss) for the period	Equity Attributable to Owners of the Company
Balance at 1 January 2014	**36.000.000**	**40.802.957**	**91.953**	**57.262.267**	**(265.214)**	**(558.798)**	**869.824**	**5.883.119**	**(30.529.226)**	**(2.367.809)**	**107.189.073**
Transfers	-	-	-	-	-	-	(165.141)	21.903	(2.224.571)	2.367.809	-
Total comprehensive income / (loss)	-	-	-	8.054	(265.090)	4.116.653	(704.683)	-	-	(17.200.149)	(14.045.215)
Increase / (decrease) due to other changes	-	-	-	(1.317.133)	-	-	-	-	1.317.133	-	-
Balance at 31 December 2014	**36.000.000**	**40.802.957**	**91.953**	**55.953.188**	**(530.304)**	**3.557.855**	**-**	**5.905.022**	**(31.436.664)**	**(17.200.149)**	**93.143.858**
Balance at 1 January 2013	**18.000.000**	**40.802.957**	**-**	**32.981.684**	**-**	**1.387.447**	**731.096**	**5.883.119**	**(36.670.004)**	**5.634.945**	**68.751.244**
Transfers	-	-	-	-	-	-	-	-	5.634.945	(5.634.945)	-
Total comprehensive income / (loss)	-	-	-	24.786.416	(265.214)	(1.946.245)	138.728	-	-	(2.367.809)	20.345.876
Capital increase	18.000.000	-	91.953	-	-	-	-	-	-	-	18.091.953
Increase / (decrease) due to other changes	-	-	-	(505.833)	-	-	-	-	505.833	-	-
Balance at 31 December 2013	**36.000.000**	**40.802.957**	**91.953**	**57.262.267**	**(265.214)**	**(558.798)**	**869.824**	**5.883.119**	**(30.529.226)**	**(2.367.809)**	**107.189.073**

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

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2014

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

	Notes	Current Period 2014	Prior Period 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		**10.197.251**	**23.718.087**
Loss for the Period		**(17.200.149)**	**(2.367.809)**
Adjustments to Reconcile Profit / (Loss) for the Period			
- Adjustments Related to Depreciation and Amortization Expenses	31	4.683.577	4.820.074
- Adjustments Related to Provision for Impairment charge	10, 13	3.842.678	617.864
- Adjustments Related to Provisions		485.075	817.087
- Adjustments Related to Interest Income and Expenses	32, 35	1.969.717	2.807.306
- Adjustments Related to Unrealized Currency Translation Differences		(1.827.684)	14.007.322
- Adjustments Related to Undistributed Profits of Associates		-	(37.917)
- Adjustments Related to Tax Expense / (Income)	37	2.180.009	(167.150)
- Adjustments Related to Gain/Loss on Disposal of Non-currents Assets	32	(302.329)	(33.402)
- Profit from Sale of Associates	33	(780.331)	-
- Loss form Sale of Tangible Fixed Assets	33	1.584.315	-
- Adjustments Related to Gain/Loss from Investing or Financing Activities		24.008	(16.995)
Changes in Capital			
- Adjustments Related to Increase / Decrease in Inventories	13	8.923.389	2.174.635
- Adjustments Related to Increase / Decrease in Trade Receivables		(3.193.254)	2.428.406
- Adjustments Related to Increase / Decrease in Other Receivables Related to Operations		697.053	(2.558)
- Adjustments Related to Increase / Decrease in Trade Payables	10	5.962.886	(4.251.694)
- Adjustments Related to Increase / Decrease in Other Payables Related to Operations		5.296.031	3.811.272
Cash Generated from Operations			
- Interest Received	32	478.160	670.332
- Taxes Paid	37	(1.933.545)	(692.418)
- Other Cash Outflows		(692.355)	(866.268)
B. Cash Flows Used in Investing Activities		**(288.692)**	**(2.062.524)**
- Cash Inflows From Sale of Other Company or Fund Shares and other debt instruments		1.132.272	-
- Proceeds on Tangible and Intangible Fixed Assets Sales		532.459	26.599
- Tangible and Intangible Fixed Assets Purchases	20, 21	(1.973.096)	(2.106.118)
- Dividends Received		19.673	16.995
C. Cash Flows from Financing Activities		**(33.025.852)**	**11.667.538**
- Cash Inflows from Issue of Shares or Other Equity Instruments	28	-	18.091.953
- Cash Inflows from Borrowings		48.527.973	108.648.524
- Cash Outflows for Borrowings		(78.918.257)	(111.220.830)
- Interest Paid		(2.635.568)	(3.852.109)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		**(23.117.293)**	**33.323.101**
D. EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**11.432.916**	**(4.436.650)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(11.684.377)**	**(846.036)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**35.374.402**	**6.487.951**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	6	**23.690.025**	**35.374.402**

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

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Pimaş Plastik İnşaat Malzemeleri A.Ş. ("Pimaş" or the "Company") was founded in 1963 in İstanbul. 12,38% of Pimaş shares are traded in Borsa İstanbul (BIST). Registered address of the Company is Beylikbağı Mahallesi, İstanbul Cad. No:29 Gebze / Kocaeli.

Mainly operation activities of the Pimaş are production of all kinds of plastic or similar material (plastic building construction materials obtained from unplasticized PVC and plastic window section) which consist of mainly synthetic raw material, import and export sales of this kind of material goods are performed as wholesale and retail.

Enka İnşaat ve Sanayi A.Ş. (Enka İnşaat), main shareholder of Pimaş has transferred shares of "Pimaş Plastik İnşaat Malzemeleri A.Ş." representing 81.23 % of the share capital to the Deceunninck N.V. as of 15 October 2014.

As of 31 December 2014 and 2013, registered names of Pimaş's subsidiaries, companies' nature of business, country of origins and founding years are listed below:

			Proportion of ownership interest and voting power held by the Group (%)	
Subsidiaries	Principal activity	Place of incorporation and operation	31 December 2014	31 December 2013
S.C. Pimapen Logistic Center S.R.L. ("Pimapen Romania")	Marketing of PVC door and window section	Romania	100%	100%
Enwin Rus Ltd	Production and marketing of PVC door and window section	Russia	100%	100%

Pimaş and subsidiaries are subject to consolidation referred to as the" Group" in the accompanying consolidated financial statements.

The average numbers of employees during the year are as follows by category:

	2014	2013
White-collar	155	156
Blue-collar	142	126
	297	**282**

Approval of the consolidated financial statements;

The consolidated financial statements approved on 24 February 2015 by the Board of Directors of Pimaş. The general assembly and the various regulatory institutions have the authority to modify the statutory financial statements and therefore the accompanying consolidated financial statements after this date.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance

The Company maintains their books of account and prepares their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries that are registered in foreign countries Pimapen Romania and EnWin Rus Ltd. maintain their books of account in accordance with the prevailing accounting principles in their registered countries which are Romania and Russia respectively.

The accompanying consolidated financial statements have been prepared in accordance with the Communiqué Series II, 14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. Turkish Accounting Standards ("TAS") and additions and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA") are predicated on in accordance with article 5th of the Communiqué.

Additionally, the consolidated financial statements and notes are presented in accordance with the formats complying with CMB's announcement dated 7 June 2013.

The financial statements are prepared on historical cost basis except for the revaluation of certain fixed assets (Land and Buildings) and financial instruments (financial investments). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional Currency

Accompanying financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Adjustment of Financial Statements in Hyperinflationary Periods

As per the 17 March 2005 dated, 11/367 numbered decree of CMB, companies engaged in Turkey and those of which prepare their financial statements in accordance with the CMB Accounting Standards (including adopters the implementation of IAS/IFRS), use of inflationary accounting standards have been discontinued effective 1 January 2005. Pursuant effectuation, "Financial Reporting Standards in Hyperinflationary Economies" issued by the International Accounting Standards Committee (IASC), ("IAS/TAS 29") was no longer applied henceforward.

The Company's foreign affiliates Pimapen Romania is not accepted as hyperinflationary economies operating in Romania, its functional currency is Euro. Functional currency of Enwin Russia operating in Russia as subsidary is Ruble. In accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates), balance sheet items are translated to TL, using Euro and Ruble rates, are with the rate prevailing at the balance sheet date and revenue, expenses and cash flows are translated with the exchange rates at the transaction date (historical rates) or yearly average rate in the case of uncertain transaction date. Gain/loss arising from the translation is recognized in the currency translation reserves under equity.

As of 31 December 2014 and 2013, the T.C. Central Bank exchange rates as follows:

	31 December 2014	31 December 2013
Euro	2,8207	2,9365
Russian Ruble	0,0402	0,0648

Average exchange rates used in the periods of January 1, 2014 - December 31, 2014 and January 1, 2013 - 31 December 2013 are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Euro	2,9042	2,5289
Russian Ruble	0,0576	0,0596

Offsetting

Financial assets and liabilities which presented in balance sheet offset in the case of have enforceable legal right to offset the asset and liabilities and collect / pay these assets and liabilities on a net basis or intends to finalizing simultaneously.

Comperative Information and Restatement of Prior Period Consolidated Financial Statements

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

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of consolidation

Details of the Company's subsidiaries as at 31 December 2014 and 2013 are as follows:

	The Group's share capital rate and voting rights ratio	
Company name	**31 December 2014**	**31 December 2014**
S.C. Pimapen Logistic Center S.R.L.	100%	100%
Enwin Rus Ltd.	100%	100%

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Control of an entity in order to obtain benefits from its activities is provided by having the power to control the financial and operating policies.

As of 31 December 2014 consolidated financial statements include the accounts of S.C Pimapen and Enwin Rus.

The control relation is normally evidenced when the Company owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. During consolidation inter-company balances and transactions, including inter-company profits and unrealized profits and losses are eliminated. The consolidated financial statements are prepared using consistent accounting policies for similar transactions and other events in similar circumstances.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Inside Group transactions, balances, income and expenses are eliminated on consolidation. There is no non-controlling share in the net assets of subsidiaries.

2.2 Changes in Accounting Policies

Significant changes in accounting policies have been applied retrospectively and prior year financial statements are restated. If changes in accounting estimates and errors are for only one period, changes are applied in the current year but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. In current year, Group has not made any change affecting its accounting policies.

2.3 Changes and Errors in Accounting Estimates

If the changes in the accounting estimates and errors are for only one period, changes are applied in the current year. When the changes in estimates affect the following periods changes are applied both on the current and following years prospectively. In the current period, there are not material errors and changes in accounting estimates of the Group.

Significant errors in accounting estimates are applied retrospectively and prior year financial statements are restated.

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Adoption of New and Revised Turkish Financial Reporting Standards

(a) New and Revised TASs affecting the consolidated financial statements and disclosures

None.

(b) The standards, amendments and interpretations to existing standard that are valid from 2014 but not affecting the Group's financial statements

Amendments to TFRS 10, 11, TAS 27	*Investment Entities*[1]
Amendments to TAS 32	*Offsetting of Financial Assets and Financial Liabilities*[1]
Amendments to TAS 36	*Recoverable Amounts Disclosures for Non-Financial Assets*[1]
Amendments to TAS 39	*Novation of Derivatives and Continuation of Gedge Accounting*[1]
TFRS Interpretation 21	*Taxes and Funds*[1]
Amendments to TAS 21	*Effects of Changes in Foreign Exchange Rates*[2]

[1] Effective as of January 1, 2014 or later periods.
[2] The changes are effective as of the publication November 12, 2014.

Amendments to TFRS 10, 11, TAS 27 *Investment Entities*

This amendment with the additional provisions of TFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

Amendment to TAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to TAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

Amendments to TAS 36 Recoverable Amount Disclosures for Non-Financial Assets

As a consequence of TFRS 13 Fair Value Measurements, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of TAS 36 has been changed.

Amendments to TAS 39 Novation of Derivatives and Continuation of Hedge Accounting

This amendment to TAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

TFRS Interpretation 21 *Taxes and Funds*

TFRS Interpretation 21 clarify the tax liability of payment of such a place revealing the activities described in the legislation, in respect of the payment of such tax and business tax clarifies that it should recognize a liability.

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Adoption of New and Revised Turkish Financial Reporting Standards (cont'd)

(b) The standards, amendments and interpretations to existing standard that are valid from 2014 but not affecting the Group's financial statements (cont'd)

TAS 21 (Ammendments) ***Effect Of Changes In Foreign Exchange Rates***

Article (b), paragraph 39 of TAS 21 - Effect of Changes in Foreing Exchange Rates has been revised as below.

"(b) Income and expenses, are recorded at the rates of exchange prevailing on the dates of the transactions in all statements that profit or loss and other comprehensive income are presented.

(c) New and revised TFRSs in issue but not yet effective;

The Group has not applied the following new and revised TFRSs that have been issued but are not yet effective:

TFRS 9	*Finansal Instruments*
Amendments to TFRS 9 and TFRS 7	*Mandatory Effective Date of TFRS 9 and Transition Disclosures*
Amendments to TAS 19	*Employee Benefits* [1]
Annual Improvements to 2010-2012 Cycle	*TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24, TFRS 9, TAS 37, TAS 39* [1]
Annual Improvements to 2011-2013 Cycle	*TFRS 3, TFRS 13, TAS 40* [1]
Amendments to TAS 16 and TAS 38	*Amortisman ve İtfa Payları İçin Uygulanabilir Olan Yöntemlerin Açıklanması* [2]

[1] Effective for annual periods beginning on or after 30 June 2014.
[2] Effective for annual periods beginning on or after 31 December 2015.

TFRS 9 ***Financial Instruments***

TFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. TFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Amendments to TFRS 9 and TFRS 7 ***Mandatory Effective Date of TFRS 9 and Transition Disclosures***

On November 2013, it is tentatively decided that the mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018. This amnedment has not been published by Public Oversight Accounting and Auditing Standards Authority.

Amendments to TAS 19 ***Employee Benefits***

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Adoption of New and Revised Turkish Financial Reporting Standards (cont'd)

(c) New and revised TFRSs in issue but not yet effective (cont'd)

Annual Improvements to 2010-2012 Cycle

TFRS 2: Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.

TFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

TFRS 8: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

TFRS 13 Clarify that issuing TFRS 13 and amending TFRS 9 and TAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

TAS 16 ve TAS 38: Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

TAS 24: Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements to 2011-2013 Cycle

TFRS 3: Clarify that TFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself..

TFRS 13: Clarify the scope of the portfolio exception in paragraph 52.

TAS 40: Clarifying the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property.

Amendments to TAS 16 ve TAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

The Group is assessing the impact on the financial position and performance of the standards.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances.

Sale of goods

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

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

Dividend and interest income:

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Inventories

Inventories are stated at the lower of cost and net realizable value. 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 with weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down. Cost of finished goods consists of raw material, direct labor, variable and fixed overhead expenses. Obsolete inventory items are derecognized.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Tangible Fixed Assets

All tangible fixed assets are initially recorded at cost. Land and buildings are carried taking into account with revalued amounts, if there is accumulated impairment. Revalued amount of an asset are determined by less accumulated depreciation and impairment losses occurs after the period that fair value determined in revaluation date. Land is not depreciated. Revaluation is made regularly in order to prevent the occurrence of material differences between carrying value that determined at balance sheet date and book value.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity after the deferred tax affect is deducted, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. As long as the revalued asset is used, the difference between the depreciation calculated on the revalued amount and depreciation calculated on the initial cost is deducted from the revaluation reserve (after deduction of deferred taxes) and transferred to retained earnings account.

All tangible fixed assets are presented deducting the cost less accumulated depreciation and provision for impairment.

When the property, plant and equipment asset is sold, cost and accumulated depreciation own to this asset are deducted from related accounts. Income or expense arising from the sale is included in the consolidated statements of profit or loss.

The initial cost of property consists of the plant and equipment purchase price, import duties and non-refundable taxes, the costs to make the tangible fixed asset is ready to use. After the start using of tangible property, such as repair and maintenance costs are recognized as an expense in the period. These expenses are added to the cost of the asset and are depreciated over the remaining life if increase in economic value used in the future to the fixed assets.

Tangible fixed assets are capitalized and depreciated in the case of ready to use with full capacity. Depreciable assets, using the straight-line method at rates based on the estimated useful lives are prorate depreciated. Amortization periods are as follows:

	Useful Life (Years)
Land and land improvements	5-16
Buildings	25-45
Machinery and equipment	2-10
Motor vehicles	5
Furniture and fixtures	5
Other tangible assets	5

The useful lives are reviewed on a regular basis; accordingly, the method and period of depreciation are consistent with the economic benefits from items of property.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Intangible Fixed Assets

Intangible assets consist of purchased rights in computer softwares.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired seperately are carried at cost less accumulated impairment losses.

Derecognition of Intangible Fixed Assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of Assets

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 (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment of the carried amount which arising from revaluation of fixed assets, recorded as liability for the purpose of offsetting the revaluation funds in the equity. Following the offset, impairment that exceeds revaluation fund is recorded as an expense in the income statement.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets which are assets that necessarily take a substantial period to get ready for their intended use or sale (qualifying assets), are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

All other borrowing costs recognized in the statement of profit or loss in the period when they incurred.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Assets Held For Sale

Held for sale fixed assets represent the property which were taken in response to the debts of the debtor's having payment inabilities to the Group. A court order or the consent of the customer's right to use the asset has been acquired, the lower of doubtful receivable amount or the fair value of the asset received is recorded as asset held for sale. If the group does not use these assets for the operations, depreciation is not calculated. When these assets are sold, the difference between the selling price and the carrying value of the asset recognized in the consolidated satatement of profit or loss. These assets are recorded in the consolidated balance sheet as held for sale non-current assets.

Financial Assets

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets purchased and sold in the normal way are recognized on the transaction date. Financial assets are measured at the fair value at initial recognition. At fair value through profit or loss on initial recognition of the financial asset or non-financial liability that is directly attributable to the acquisition of the financial asset transaction costs are added to the fair value of these.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. These financial assets are stated at fair value and any gain or losses are recognised in profit or loss.

Available- for-sale financial assets

Available-for-sale financial assets (AFS) are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Quoted equity investments and quoted certain debt securities held by the Company that are traded in an active market are classified as being available- for-sale financial assets and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than held for trading or designated on initial recognition as assets at fair value through profit or loss or as available-for-sale. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade receivables, notes payables and postdated checks are recognize at the value of invoice and receivables are carried to the balance sheet with reduced net values after deducting allowance for doubtful receivables. Receivables contains the cost of financing, the interest rate of 12% (31 December 2013: 12%) were taking into account to the net value of the balance sheet date.

Trade receivables denominated in foreign currencies are subject to rediscount using the interest rates on the contracts, and using the Libor and Euribor rates if the contract is not included the interest rates.

If there is substantial proof that overdue receivables cannot be collected, provisions for doubtful trade receivables are recorded after deducting the collateral receivables are written-off when the collection of cannot be these are considered as unlikely.

Cash and cash equivalents

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

Recognition and derecognition of financial assets

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only, the entity becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. An entity shall remove a financial liability from its statement of financial position when, and only, the obligation specified in the contract is discharged or cancelled or expires.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of Significant Accounting Policies (Cont'd)

Derivative financial instruments and hedge accounting

The Group uses forward contracts in international markets. According to the risk management policies of the Company, these forward contracts are classified as derivatives held-for trading in the accompanying financial statements, since they do not satisfy the conditions for hedge accounting in TAS 39 (Financial Instruments: Recognition and Measurement). Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument.

Fair value is generally determined by using the quoted prices in an active market, otherwise it is determined by using either discounted cash flow model or option pricing model. If fair value is positive, the derivative is recognized as an asset and if fair value is negative, it is recognized as a liability in the balance sheet.

Financial liabilities

When a financial liability is recognised initially, the Group measures it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method.

Trade payables

Trade payables and debt securities located in trade payables are recognized with invoice values and carried with amortized cost on the balance sheet. Trade payables includes a cost of financing and interest rate of 12% (31 December 2013: 12%) were taking into account when discounting to the net value as of balance sheet date. Trade payables denominated in foreign currencies are discounted using the interest rates agreed on the contracts, were such rates are not agreed, Libor and Euribor rates are subject to rediscount.

Foreign currency transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other entities functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Foreign currency transactions (cont'd)

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

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and,

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Earnings per share

Earnings per share disclosed in the consolidated statements of profit or loss is determined by dividing the net income by the weighted average number of shares in existence during the year concerned.

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

Events after the reporting period

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Group (should any evidence come about events that were prior to the balance sheet date or should new events come about) will be explained in the relevant note.

The Group restates its consolidated financial statements if such subsequent events arise.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of 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 a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all 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 virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

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

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

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

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

A related party transaction between related parties, resources, services or obligations, regardless of whether a price is charged transfer.

Enka Insaat ve Sanayi Sirketi "Enka Insaat" was the main shareholder of Pimas until October 15, 2014. Enka Insaat transffered its Pimas shares to Deceuninck NV as of October 15, 2014 and after this date Deceuninck NV has been the main shareholder of Pimas. Till October 15, 2014, transactions with Enka Insaat, its subsidiaries, affiliaties and other Enka Group companies and after October 15, 2014, transactions with Deceuninck NV and its affilities and subsidiaries with other Deceunick Group companies are referred to as related parties to the consolidated financial statements.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Taxes on corporate income

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

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 period. 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.

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 realised, 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 in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Employee Benefits

Termination and retirement benefits:

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

The retirement benefit liability recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses through statement of other comprehensive income.

Provision for unused vacation

This provision stated under short-term employee benefits (Note 26).

Statement of cash flow

Current period statements of cash flows are categorized and reported as operating, investing and financing.

Capital and Dividends

Common stocks are classified as equity. Dividends paid are recorded at the Board's payment decision date retained earnings balance less the dividend amount paid.

Segment Reporting

A reportable segment is a business segment or geographical segment information required to be disclosed. Industrial Sections are different from the other parts of the groups in terms of an individual product or service or a group of related products or services or risk and benefits. Geographical segments provide products or services within a particular economic environment of the Group and the risks and returns that are different from those of components operating in other economic environments are different.

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

The Group manages and organizes the business activities based on geographical regions for management reporting. Group business activities divided in three main geographical regions based on where the assets located. The Group's geographical segments Turkey, Russia and other countries. There are no industrial reportable segment due to the fact that Group's products does not differ from each other.

The Group prepares its segment reporting in accordance with IFRS 8. As of 31 December 2014 and 31 December 2013, the information about the Group's segments consists of revenues and profits, assets and liabilities. Financial information about the geographical segment is presented in Note 5.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.6 Critical Accounting Estimates and Assumptions

In the process of applying the Group's accounting policies, which are described in Note 2.5 management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

a) Reserve for retirement pay liability is determined by using actuarial assumptions such as discount rates, future salary increase and employee's turnover rates. The estimations include significant uncertainties due to their long term nature. For those employees that are foreseen to leave within a short term period, Group directly records the related retirement pay liability without discounting as of balance sheet date.The details about provision for employee benefits are provided in Note 26.

b) Provision for doubtful receivables is an estimated amount that management believes to reflect possible future losses on existing receivables that have collection risk due to current economic conditions. When assessing the existence of impairment in receivables, for those debtors other than related parties, Group evaluates its debtors' past performances, credit worthiness, sales and collected amounts during the period for the ability to collect company's existing credit balances. The provision for doubtful receivables is explained in Note 10. The guarantee letters and mortgages are taken into consideration while provisioning for doubtful receivables. Provisions are booked for the unsecured portions of the receviables.

c) During the assessment of the reserve for obsolete inventories, inventories are physically and historically analyzed by referring the aging of inventory items, usefulness of the inventories are determined based on the view of the technical personnel and if it is necessary, provision is provided. To determine the net realizable value of the inventories, sales prices occrred within the period and costs to be beared for the sales are expected. As a result of these, the details of the provision for the inventory items whose net realizable value is below its cost are explained in Note 13.

d) Deferred tax assets are recognized over temporary differences and accumulated losses when there is evidence that there is substantial future realizability in statutory tax accounts. In order to recognize the deferred tax assets in the consolidated financial statements, significant estimations and assumptions for statutory tax projections should be performed. The Group has recognized deferred tax assets on carried forward tax loses taking into account, estimation of taxable profit in future periods and the timing of taxable temporary differences (Note 37).

e) Group management has made significant assumptions that could effect consolidated financial statements in determining the useful economic life of the buildings based on experiences of the technical team (Note 20).

f) Group management has made significant assumptions that could effect consolidated financial statements in determining the fair values of land and buildings within the scope of IAS 16 (Note 20).

g) Within the scope of IAS 36 Group management has made significant assumptions to assess the potential impairment on assets held for sale (Note 36).

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

3. BUSINESS COMBINATIONS

None (31 December 2013: None).

4. INTERESTS IN OTHER ENTITIES

a) Subsidiaries

The details of the Group's subsidiaries as of 31 December 2014 and 2013 are as follows:

			Proportion of ownership interest and voting power held by the Group (%)	
Subsidiaries	Principal activity	Place of incorporation and operation	31 December 2014	31 December 2013
S.C. Pimapen Logistic Center S.R.L.	Marketing of PVC door and window section	2005 Romania	%100	%100
Enwin Rus Ltd	Production and marketing of PVC door and window section	2005 Russia	%100	%100

b) Associates

None (31 December 2013: None).

c) Joint Ventures

None (31 December 2013: None).

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

5. SEGMENT REPORTING

In terms of management The Group organized business units on the basis of geographical segments, there are two reportable operating segments on the basis of the countries which it operates. The Group's operating segments are Turkey, Russia and Romania. Since there are no differences in terms of products, the Group does not have industrial reportable segment. The Group makes the operating segment reporting according to IFRS 8.

As at 31 December 2014, information about Group's operating segments as follows:

	31 December 2014				
	Turkey	**Russia**	**Romania**	**Elimination**	**Consolidated**
Revenue	**162.785.402**	**23.196.199**	**290.136**	**(10.868.295)**	**175.403.442**
Gross profit	**25.852.613**	**1.918.045**	**40.196**	**58.962**	**27.869.816**
General administrative expense	(8.640.362)	(2.764.594)	(74.936)	-	(11.479.892)
Marketing expenses	(12.638.334)	(1.595.319)	(88.136)	-	(14.321.789)
Other income from operating activities	3.692.074	3.163.264	22.304	(3.999.107)	2.878.535
Other expenses from operating activities	(1.812.394)	(8.819.833)	(277.723)	3.999.107	(6.910.843)
Operating profit / (loss)	**6.453.597**	**(8.098.437)**	**(378.295)**	**58.962**	**(1.964.173)**
Income from investing activities	819.783	-	-	-	819.783
Expenses from investing activities	(562.736)	-	(1.021.579)	-	(1.584.315)
Operating profit / (loss) before finance expenses / (expense)	**6.710.644**	**(8.098.437)**	**(1.399.874)**	**58.962**	**(2.728.705)**
Finance expenses	(2.794.006)	(9.993.504)	-	-	(12.787.510)
Finance income	496.075	-	-	-	496.075
Continuing operations profit / (loss) before taxation	**4.412.713**	**(18.091.941)**	**(1.399.874)**	**58.962**	**(15.020.140)**
Period tax expense	(1.521.853)	-	-	-	(1.521.853)
Deferred tax (expense) / income	562.655	(1.220.811)	-	-	(658.156)
Profit / (loss) for the year	**3.453.515**	**(19.312.752)**	**(1.399.874)**	**58.962**	**(17.200.149)**

	31 December 2014				
	Turkey	**Russia**	**Romania**	**Elimination**	**Consolidated**
Segment assets	195.311.679	21.038.499	248.156	(25.583.458)	191.014.876
Total assets	**195.311.679**	**21.038.499**	**248.156**	**(25.583.458)**	**191.014.876**
Segment liabilities	78.556.741	20.253.724	138.558	(1.078.005)	97.871.018
Total liabilities	**78.556.741**	**20.253.724**	**138.558**	**(1.078.005)**	**97.871.018**
Purchases of tangible and intangible assets	1.933.337	39.759	-	-	1.973.096
Depreciation and amortization expenses	2.523.567	2.159.216	794	-	4.683.577

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

5. SEGMENT REPORTING (cont'd)

As at 31 December 2013, information about Group's operating segments as follows:

	31 December 2013				
	Turkey	**Russia**	**Romania**	**Elimination**	**Consolidated**
Revenue	**158.877.553**	**23.012.094**	**516.015**	**(10.678.786)**	**171.726.876**
Gross profit	**31.402.816**	**2.604.644**	**38.808**	**(64.704)**	**33.981.564**
General administrative expense	(9.127.760)	(946.581)	(71.086)	-	(10.145.427)
Marketing expenses	(11.285.024)	(1.837.797)	(121.049)	-	(13.243.870)
Other income from operating activities	4.035.627	56.538	47.897	112.786	4.252.848
Other expenses from operating activities	(3.423.210)	(1.345.015)	(238.803)	-	(5.007.028)
Operating profit / (loss)	**11.602.449**	**(1.468.211)**	**(344.233)**	**48.082**	**9.838.087**
Income from investing activities	3.141.727	-	-	-	3.141.727
Operating profit / (loss) before finance expenses	**14.744.176**	**(1.468.211)**	**(344.233)**	**48.082**	**12.979.814**
Finance expenses	(13.011.468)	(2.503.305)	-	-	(15.514.773)
Continuing operations profit / (loss) before taxation	**1.732.708**	**(3.971.516)**	**(344.233)**	**48.082**	**(2.534.959)**
Period tax expense	(820.418)	-	-	-	(820.418)
Deferred tax (expense) / income	(418.643)	1.406.211	-	-	987.568
Profit / (loss) for the year	**493.647**	**(2.565.305)**	**(344.233)**	**48.082**	**(2.637.809)**

	31 December 2013				
	Turkey	**Russia**	**Romania**	**Elimination**	**Consolidated**
Segment assets	212.505.523	33.426.167	1.621.635	(21.342.222)	226.211.103
Total assets	**212.505.523**	**33.426.167**	**1.621.635**	**(21.342.222)**	**226.211.103**
Segment liabilities	98.234.322	30.594.771	1.966.754	(11.773.817)	119.022.030
Total liabilities	**98.234.322**	**30.594.771**	**1.966.754**	**(11.773.817)**	**119.022.030**
Purchases of tangible and intangible assets	1.089.766	1.226.402	-	(210.050)	2.106.118
Depreciation and amortization expenses	2.596.522	2.223.552	-	-	4.820.074

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

6. CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
Cash at banks		
- demand deposits	2.122.417	2.162.869
- time deposits	19.041.133	31.275.236
Cheques	2.476.767	1.828.156
Cash on hand	49.708	108.141
	23.690.025	35.374.402

As of 31 December 2014, Group's time deposit amounting TL 14.135.456 has a maturity of 2-6 days with an interest rate of 10,8%-11,25%, time deposit amounting USD 510.019 which is equal to TL 1.182.683 has a maturity of 2 days with an interest rate of 0,45%, time deposit amounting EUR 1.030.195 which is equal to TL 2.905.870 has a maturity of 25 days with an interest rate of 0,59%, time deposit amounting RUB 20.306.268 which is equal to TL 817.124 has a maturity of 12 days with an interest rate of 11,27%. (31 December 2013: time deposit amounting TL 9.852.159 with 3 days maturity and interest rate of 8%, time deposit amounting TL 15.019.931 with 7 days maturity has an interest rate of 9,70%, time deposit amounting USD 3.000.115 which is equal to TL 6.403.146 with 3 days has an interest rate of 1,40%)

As of 31 December 2014 and 2013, there is no restriction on the Group's cash and cash equivalents.

As of 31 December 2014, there is insurance coverage amounting TL 4.738.202 on the cash (31 December 2013: TL 4.444.790).

7. FINANCIAL INVESTMENTS

Available for sale financial investments

	31 December 2014		31 December 2013	
	TL	%	TL	%
Enka İnşaat	-		821.682	< 1%
Türkiye Sınai Kalkınma Bankası (TSKB)	-		295.331	< 1%
	-		**1.117.013**	

The fair values of available-for-sale financial assets that can be reliably measured are stated at their fair value and unrealized gains or losses are followed under "Financial Assets Value Increase Fund" in consolidated balance sheet are sold As of May 22, 2014 for TL 1.132.272 in Borsa Istanbul (BIST).

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

8. FINANCIAL BORROWINGS

a) Short Term Bank Loans

	31 December 2014				
	Foreign Currency Amount		TL Equivalent	Interest Rate (%)	Maturity
Short-term loans					
US Dollar loans	4.449.600	(**)	10.318.177	1,32 -2,85	16 January 2015 – 25 August 2015
Euro loans	6.770.038	(**)	19.096.245	1,29 - 4,10	7 April 2015 – 20 November 2015
Ruble loans	108.000.000	(**)	4.345.920	9,00	5 March 2015
TL loans		(**)	3.107.258	10,55	1 September 2015
Total of the short-term loans			**36.867.600**		
Short-term portion of long term loans					
Euro Loans	100.465	(*)	283.382	Euribor-6 months+4	26 May 2015
TL Loans		(***)	127.400		
Total of the short-term portion of long term loans			**410.782**		
			37.278.382		

(*) Interest payment at maturity, once a month, every three or six months and loans with variable interest rates.
(**) Fixed interest rate and maturity date, interest paid once a month, every three or six months.
(***) The amount of interest for long term TL loans.

	31 December 2013				
	Foreign Currency Amount		TL Equivalent	Interest Rate (%)	Maturity
Short-term loans					
US Dollar loans	12.405.192	(**)	26.476.401	3,10 -4,20	6 June 2014 – 18 December 2014
Euro loans	2.018.281	(*)	5.926.682	Euribor-6 months +2 - 2,25	31 March 2014 – 8 October 2014
Euro loans	10.857.513	(**)	31.883.087	1,33 - 4,00	10 January 2014 – 18 December 2014
TL loans		(***)	236.545	0	3 January 2014
Total of the short-term loans			**64.522.715**		
Short-term portion of long term loans					
US Dollar Loans	1.006.530	(*)	2.148.237	Libor-3 months+5,08	16 May 2014
US Dollar Loans	4.804.259	(**)	10.253.730	3,20- 6,10	28 February 2014–1 September 2014
Euro Loans	201.324	(*)	591.187	Euribor-6 months+4	26 May 2014 –24 November 2014
TL Loans		(**)	1.378.447	13,20 -13,75	21 February 2014 – 30 April 2014
Total of the short-term portion of long term loans			**14.371.601**		
			78.894.316		

(*) Interest payment at maturity, once a month, every three or six months and loans with variable interest rates.
(**) Fixed interest rate and maturity date, interest paid once a month, every three or six months.
(***) Interest free revolving loan.

As of 31 December 2014, short-term loans used by Enwin Russian Ltd. amount to TL 17.800.765 which is Group's consolidated subsidiary (31 December 2013: TL 20.287.091).

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

8. FINANCIAL BORROWINGS (cont'd)

a) Short Term Bank Loans (cont'd)

As at 31 December 2014 and 2013, export commitment obligations related with Group's short term bank loans is disclosed in Note 25.

There are no guarantees given for the loans obtained. (31 December 2013: None).

b) Long Term Bank Loans

	31 December 2014			31 December 2013		
	Foreign Currency Amount	TL Equivalent	Interest Rate (%)	Foreign Currency Amount	TL Equivalent	Interest Rate (%)
Long-term loans						
Euro loans	-	-	-	100.000 (*)	293.650	Euribor 6 months + 4
TL loans	(**)	10.000.000	10,92	-	-	-
		10.000.000			**293.650**	

(*) Interest payments every six months with variable interest rates.
(**) Interest payments every six months with fixed interest rates.

There are no guarantees given for the long term loans obtained.

As of 31 December 2014 and 2013, the redemption schedule of long-term loans of the Group is as follows:

	31 December 2014	31 December 2013
2014	-	14.371.601
2015	410.782	293.650
2016	4.716.212	-
2017	5.283.788	-
	10.410.782	**14.665.251**
Short-term portion of long term loans	(410.782)	(14.371.601)
	10.000.000	**293.650**

9. OTHER FINANCIAL LIABILITIES

None (31 December 2013: None).

10. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables, net

	31 December 2014	31 December 2013
Cheques and notes receivable	67.380.229	62.637.965
Trade receivables	3.471.746	7.988.721
Doubtful receivables	5.482.788	6.572.916
	76.334.763	**77.199.602**
Less: Allowance for doubtful receivables	(5.482.788)	(6.572.916)
	70.851.975	**70.626.686**

As of 31 December 2014 and 2013, the movement of doubtful receivables of the Group is as follows:

	1 January – 31 December 2014	1 January – 31 December 2013
Balance at beginning of the year	6.572.916	6.022.154
Charge for the current year	2.723.025	589.024
Translation effect	(1.414.657)	397.195
Collections	(35.844)	(49.386)
Uncollectible doubtful receivables (*)	(2.362.652)	(386.071)
Balance at the end of year	**5.482.788**	**6.572.916**

(*) Uncollectible amounts which have been fully provisioned in prior periods were written off from the balance sheet.

As of 31 December 2014, doubtful receivables amounting TL 3.238.420 belong to Enwin Russian, Ltd. which is a subsidiary of the Group (31 December 2013: TL 3.717.985).

As of December 2014, average trade receivables maturity is 106 - 65 days (31 December 2013: 122-88 days).

As of December 2014 and 2013, past due but not impaired trade receivables and outstanding trade receivables details are as follows:

			Past due but not impaired			
	Total	Outstanding Receivables	30 day past	30-60 day	60-90 day	Exceed 90 days
31 December 2014	3.471.746	2.138.358	136.630	192.606	199.235	804.917
31 December 2013	7.988.721	4.453.080	604.706	192.504	39.082	2.699.349

As of 31 December 2014, The Group has obtained guarantees for its receivables amounting to TL 90.905.987 (31 December 2013: TL 80.172.472) that consists of mortgages, letter of guarantees, guarantee certificates and guarantee checks. Additionally, The Group has obtained sequestrated mortgages amounting to TL 387.545 for its receivables (31 December 2013: TL 582.953).

The effective interest rate used for trade receivables denominated in TL is 12% (31 December 2013: 12%), For trade receivables denominated in U.S. Dollar and Euro are Libor and Euribor rates.

As of 31 December 2014, the Group's long-term trade receivables amounting TL 1.104.288 (31 December 2013: TL 984.551) consist of the postdated check and notes payable amounting to TL 1.104.288 (31 December 2013: TL 663.957).

10. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade payables, net

	31 December 2014	31 December 2013
Trade payables, net	2.685.240	4.918.135
Early payment premiums and quota provision	173	1.975
Notes payable, net	19.593.720	11.537.416
	22.279.133	**16.457.526**

As of 31 December 2014, the average maturity of trade payables is 51 days (31 December 2013: 52 days), while the average maturity of debt securities is 191 days (31 December 2013: 179 days). The effective interest rate used for trade payables denominated in TL is 12% (31 December 2013: 12%), For trade payables denominated in U.S. Dollar and Euro are Libor and Euribor rates in accordance with the maturity of trade payables.

11. OTHER RECEIVABLES AND PAYABLES

a) Short-term other receivables

	31 December 2014	31 December 2013
VAT refund receivables	632.813	1.046.101
Other	3.500	2.944
Total	**636.313**	**1.049.045**

b) Long-term other receivables

	31 December 2014	31 December 2013
Deposits and guarantees given	238.618	85.162
VAT refund receivables	-	406.299
Total	**238.618**	**491.461**

c) Short-term other payables

	31 December 2014	31 December 2013
Deposits and guarantees received	5.307	7.229
Total	**5.307**	**7.229**

d) Long-term other payables

	31 December 2014	31 December 2013
Deposits and guarantees received	840.360	812.325
	840.360	**812.325**

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

12. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES

None (31 December 2013: None).

13. INVENTORIES

	31 December 2014	31 December 2013
Raw materials	9.884.753	12.537.892
Work in process	1.329.034	1.397.877
Finished goods	6.864.436	11.300.456
Trading goods	1.602.525	1.934.980
Other inventories	1.831.457	3.264.389
Less: Allowance for impairment on inventory	(2.144.684)	(1.025.031)
	19.367.521	**29.410.563**

Movement of allowance for impairment on inventory is as follows:

	2014	2013
1 January	1.025.031	996.191
Charge for the year	1.119.653	28.840
31 December	2.144.684	1.025.031

Provisions for impairment amounting to TL 543.329, TL 429.327, TL 1.172.028 for finished goods, trading goods and other inventories are provided respectively (31 December 2013: Finished goods, trading goods and other inventories respectively TL 340.463, TL 450.558, TL 234.010).

As of 31 December 2014, insured value of inventories amount TL 33.788.542 (31 December 2013: TL 32.248.090).

14. BIOLOGICAL ASSETS

None (31 December 2013: None).

15. RECEIVABLES RELATED TO ONGOING CONSTRUCTION CONTRACTS AND PROGRESS PAYMENTS

None (31 December 2013: None).

16. INVESTMENTS ACCOUNTED BY EQUITY METHOD

None (31 December 2013: None).

17. INVESTMENT PROPERTIES

None (31 December 2013: None).

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

18. PREPAID EXPENSES AND DEFERRED INCOME

a) Short-Term Prepaid Expenses

	31 December 2014	31 December 2013
Advances given	891.934	506.358
Prepaid expenses	156.265	383.132
	1.048.199	**889.490**

b) Long-Term Prepaid Expenses

	31 December 2014	31 December 2013
Advances given	70.249	98.305
	70.249	**98.305**

c) Short-Term Deferred Income

	31 December 2014	31 December 2013
Order advances received	18.124.759	12.714.890
	18.124.759	**12.714.890**

19. CURRENT TAX LIABILITIES

	31 December 2014	31 December 2013
Other taxes and funds payable	2.007.840	1.467.227
	2.007.840	**1.467.227**

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

20. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2014, property, plant and equipment and related accumulated depreciation movements are as follows:

	1 January 2014	Additions	Disposals	Transfers	Revaluation fund	Currency translation differences	31 December 2014
Cost or revalued amount							
Land and land improvement	1.914.551	-	-	-	-	-	1.914.551
Land	51.425.406	-	(2.083.540)	-	8.054	(713.705)	48.636.215
Buildings	26.513.338	-	-	-	-	(7.051.211)	19.462.127
Machinery and equipment	97.079.784	1.395.564	(20.526.526)	-	-	(4.346.239)	73.602.583
Vehicles	2.405.160	232.049	(270.138)	-	-	(222.116)	2.144.955
Furniture and fixtures	8.129.592	299.656	(14.658)	27.305	-	(130.248)	8.311.647
Other property, plant and equipment	1.459.384	-	(155)	-	-	(86.333)	1.372.896
Construction in progress	2.630	42.225	-	(38.305)	-	-	6.550
	188.929.845	**1.969.494**	**(22.895.017)**	**(11.000)***	**8.054**	**(12.549.852)**	**155.451.524**
Less: accumulated depreciation							
Land and land improvement	1.768.457	22.357	-	-	-	-	1.790.814
Buildings	4.060.460	1.044.424	-	-	-	(1.755.141)	3.349.743
Machinery and equipment	87.961.682	2.908.865	(20.519.407)	-	-	(2.793.112)	67.558.028
Vehicles	2.148.238	158.640	(270.138)	-	-	(209.092)	1.827.648
Furniture and fixtures	6.888.051	430.890	(5.406)	-	-	(78.207)	7.235.328
Other property, plant and equipment	1.362.478	19.339	(155)	-	-	(55.636)	1.326.026
	104.189.366	**4.584.515**	**(20.795.106)**	**-**	**-**	**(4.891.188)**	**83.087.587**
Net book value	**84.740.479**						**72.363.937**

(*) The amount is transferred to Intangible Fixed Assets.

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

20. PROPERTY, PLANT AND EQUIPMENT (cont'd)

During the year ended 31 December 2013, property, plant and equipment and related accumulated depreciation movements are as follows:

	1 January 2013	Additions	Disposals	Transfers	Net-off	Revaluation fund	Currency translation differences	31 December 2013
Cost or revalued amount								
Land and land improvement	1.914.551	-	-	-	-	-	-	1.914.551
Land	25.869.816	-	-	-	-	25.119.268	436.322	51.425.406
Buildings	24.281.271	-	-	-	(845.840)	1.152.760	1.925.147	26.513.338
Machinery and equipment	94.358.146	1.604.806	(38.707)	-	-	-	1.155.539	97.079.784
Vehicles	2.363.013	-	(22.720)	-	-	-	64.867	2.405.160
Furniture and fixtures	7.647.642	446.847	-	-	-	-	35.103	8.129.592
Other property, plant and equipment	1.445.402	-	(10.342)	-	-	-	24.324	1.459.384
Construction in progress	-	2.630	-	-	-	-	-	2.630
	157.879.841	**2.054.283**	**(71.769)**	**-**	**(845.840)**	**26.272.028**	**3.641.303**	**188.929.845**
Less: accumulated depreciation								
Land and land improvement	1.744.472	23.985	-	-	-	-	-	1.768.457
Buildings	3.476.632	1.028.461	-	-	(845.840)	-	401.207	4.060.460
Machinery and equipment	84.289.266	3.077.783	(27.979)	-	-	-	622.612	87.961.682
Vehicles	1.950.761	162.754	(16.393)	-	-	-	51.116	2.148.238
Furniture and fixtures	6.478.944	389.035	-	-	-	-	20.072	6.888.051
Other property, plant and equipment	1.329.319	20.019	(798)	-	-	-	13.938	1.362.478
	99.269.394	**4.702.037**	**(45.170)**	**-**	**(845.840)**	**-**	**1.108.945**	**104.189.366**
Net book value	**58.610.447**							**84.740.479**

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

20. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Valuation of land and buildings

Group's land and buildings in Turkey have been revalued as of 31 December 2013 by independent valuers licensed by the Capital Markets Board ("CMB"). For the assets located abroad, valuation reports had been prepared in 2008 and for only land, valuation reports had been prepared in 2013 by independent valuers located in those countries. These valuations are based on local and foreign market prices. Accumulated depreciation of the revalued building has been eliminated against the gross carrying amounts of related buildings and the net amount is carried. Revaluation difference is netted off with the related deferred tax and classified as revaluation surplus under equity.

Details of the Group's land and buildings and information about the fair value hierarchy as at 31 December 2014 are as follows:

	31 December 2014	Fair value level as of balance sheet date Level 1 TL	Level 2 TL	Level 3 TL
Pimaş Manufacturing Plant in Gebze Land				
Land	47.423.000	-	47.423.000	-
Buildings	7.899.750	-	7.899.750	-
Enwin Rus Manufacturing Plant in Rostov Land				
Land	1.213.215	-	1.213.215	-
Bina	11.562.377	-	11.562.377	-

There were no transfers between Level 1 and Level 2 during the year.

If land and buildings that are stated as revalued assets had been carried at cost less accumulated depreciation , the carrying amounts of land and building in the consolidated financial statements as of December 31, 2014 and 2013 would be as follows:

	Land and buildings 31 December 2014	 31 December 2013
Cost	151.093.640	153.304.388
Accumulated depreciation	(147.196.151)	(146.920.432)
Net book value	**3.897.489**	**6.383.956**

The amount of insurance on property, plant and equipment

As of 31 December 2014, insurance on property, plant and equipment's amount to TL 57.433.362 (31 December 2013: TL 59.055.782).

Pledges and mortgages on assets

None. (31 December 2013: TL 3.500).

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

21. INTANGIBLE FIXED ASSETS

As of 31 December 2014 and 2013 intangible assets' movements are as follows:

	1 January 2014	Additions	31 December 2014
Cost			
Rights	950.217	14.602	964.819
	950.217		**964.819**
Accumulated amortization			
Rights	(647.141)	(99.062)	(746.203)
Net book value	**303.076**		**218.616**

	1 January 2013	Additions	31 December 2013
Cost			
Rights	898.382	51.835	950.217
	898.382		**950.217**
Accumulated amortization			
Rights	(529.104)	(118.037)	(647.141)
Net book value	**369.278**		**303.076**

Intangible assets consist of computer software rights.

22. GOODWILL

None (31 December 2013: None).

23. GOVERNMENT GRANTS AND INCENTIVES

None (31 December 2013: None).

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

24. PROVISIONS AND CONTINGENT ASSET AND LIABILITIES

Guarantees, pledges and mortgages given by the Group	31 December 2014	31 December 2013
A. GPM given on behalf of its own legal entity	14.509.652	3.643.550
B. GPM given on behalf of subsidiaries that are included in full consolidation (*)	17.744.245	20.231.680
C. GPM given in order to guarantees third parties' debts for the routine trade operations	-	-
D. Total amount of other GPM given:		
- Total amount of given on behalf of parent Group	-	24.498.112
- Total amount of given on behalf of other group companies that are not included group B and C	-	-
- Total amount of given on behalf of third parties that are not included group C (**)	531.961	-
Total	32.785.858	48.373.342
Ratio of the GPM given by the Group to the Group equity	0,57%	22,85%

(*) Given to banks in favor of Enwin Russian, Ltd. Euro 4.750.000 (TL 13.398.325), RUB 108.000.000 (TL 4.345.920) includes guarantees.

(**) Given to banks in favor of Enka Construction TL 531.961 includes guarantees.

Letter of Guarantees

As of 31 December 2014 and 2013, letters of guarantee and certificates given by the Group are as follows:

	31 December 2014	31 December 2013
Bank letters of guarantee given to the customs and various public institutions	14.509.652	3.643.550
Mortgages given on behalf of shareholders	-	3.500
Guarantees given to shareolders	-	24.494.612
Guarantees given to behalf of 3rd parties	531.961	-

As of December 31, 2014 Guarantees given behalf of 3rd parties represent guarantees given to previous shareholder Enka Insaat with other related companies. (As of December 31, 2013 guarantees given to shareholders represents guarentees gicen to Enka Insaat with other related companies.)

25. COMMITMENTS AND CONTINGENCIES

Export commitments

	31 December 2014		31 December 2013	
Commitments type	**Commitment currency amount**	**Commitment amount (TL)**	**Commitment currency amount**	**Commitment amount (TL)**
Export commitments - foreign currency - Euro	2.000.000	5.641.400	3.700.000	10.865.050
Export commitments - foreign currency - Usd	5.750.000	13.333.675	5.750.000	12.272.225

26. EMPLOYEE BENEFITS

a) Payables due to employee benefits

	31 December 2014	31 December 2013
Payables to employees	161.162	760.150
Social security premiums payable	365.351	376.157
Total	**526.513**	**1.136.307**

b) Provisions for short term employee benefits

	31 December 2014	31 December 2013
Performance based bonus accruals	60.000	82.638
Unused vacation accruals	395.842	1.109.465
Provision for termination indemnity (*)	273.799	-
Total	**729.641**	**1.192.103**

(*) Group, follows the termination obligations of the employees that are foreseen to leave the Group within a short term period in provision for short term employee benefits, without disounting the related obligations.

c) Provisions for long term employee benefits

Retirement Pay Provision

Pimaş, is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause excluding resignation under Turkish Labor Law. As of 31 December 2014 the amount payable consist of one gross wage for each year of service limited to TL 3.438 (31 December 2013: TL 3.254).

Retirement pay ceiling increased to TL 3.541 from the date of 1 January 2015 (1 January 2014: TL 3.438).

According to IAS 19, actuarial calculations are necessary to calculate liabilities of Pimaş. The Group calculated of the employee termination benefit provision using "Projection Method", the personnel service period completion of previous years of Pimaş and using the basis of retirement issues and realizations and has reflected to the accompanying consolidated financial statements. Employment termination benefits are calculated by estimating present value of the future probable obligations arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 3% real discount rate calculated by using 6,5% annual inflation rate and 9,7% discount rate. (31 December 2013: 3,78% real discount rate calculated by using 6,21% annual inflation and 10,22% discount rate) Estimated amount of retirement pay not paid due to voluntary leaves and retained in the Company is also taken into consideration as 3,31% (31 December 2013: 3,01%).

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

26. EMPLOYEE BENEFITS (cont'd)

As of 31 December 2014 and 2013, the liability for employee termination benefits for the years ended are as follows:

	2014	2013
1 January	2.655.100	2.403.372
Interest expense	79.778	90.740
Provision for the current year	1.058.920	506.525
Actuarial loss	331.363	331.517
Payments	(1.072.090)	(677.054)
31 December	**3.053.071**	**2.655.100**
Less: short term provision for termination	(273.799)	-
	2.779.272	**2.655.100**

The principal assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate.

2014

- If the discount rate had been 1% higher / (lower), provision for employee termination benefits would decrease by TL 257.702- (increase by TL 307.515).
- If the anticipated turnover rate had been 1% lower / (higher) while all other variables were held constant, provision for employee termination benefits would increase / (decrease) by TL 30.989.

2013

- If the discount rate had been 1% higher / (lower), provision for employee termination benefits would decrease by TL 238.883 - (increase by TL 284.587).
- If the anticipated turnover rate had been 1% lower / (higher) while all other variables were held constant, provision for employee termination benefits would increase/(decrease) by TL 27.163.

27. OTHER ASSETS AND LIABILITIES

a) Other current assets

	31 December 2014	31 December 2013
Deferred VAT	66.720	162.277
Other VAT	-	107.661
Other	90.734	49.681
	157.454	**319.619**

b) Other current liabilities

	31 December 2014	31 December 2013
Other deferred VAT	1.006	972
	1.006	**972**

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

28. SHAREHOLDER'S EQUITY

Capital

The Company is not subject to the registered capital system. As of 31 December 2014 and 2013, the Group's historical paid in capital amount is TL 36.000.000 (31 December 2013: TL 36.000.000), and this amount comprises 3.600.000.000 shares (31 December 2013: 3.600.000.000) at 1 Piastre per value.

As of 31 December 2014 and 2013, the Company legal capital and shareholding structure are as follow:

	31 December 2014		31 December 2013	
Shareholders	**TL**	**%**	**TL**	**%**
Deceuninck NV	30.551.991	84,87	-	-
Enka İnşaat ve Sanayi A.Ş.	-	-	29.394.345	81,65
Public shares	5.441.830	15,11	5.825.022	16,18
Other	6.179	0,02	780.633	2,17
Total historical amount TL	**36.000.000**	**100,00**	**36.000.000**	**100,00**
Inflation adjustment effect (*)	40.802.957		40.802.957	
Total	**76.802.957**		**76.802.957**	

(*) Residual of the difference between the restated amount of cash capital contributions to be presented by the equivalent of purchasing power as of end of 2004 by the use of restatement factors and the historical amount.

As at 31 December 2014 and 2013, there are no preferred shares.

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. 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 historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

The amount of reserves held in the statutory financial statements which was prepared according to tax Laws by Pimaş, are as follows:

	31 December 2014	31 December 2013
Special funds (Profit on sale of tangible fixed assets)	5.905.022	5.883.119
Other reserves	241.883	241.883
Share premium	91.953	91.953
Accumulated losses	(18.157.066)	(16.850.618)
Net profit / (loss)	5.290.222	(1.284.546)

28. SHAREHOLDER'S EQUITY (cont'd)

Inflation adjustment to shareholders' equity

Equity items are inflation-adjusted values as at 31 December 2014 and 2013. The inflation-adjusted values of share capital, share premium and legal reserves amount to respectively TL 69.842.987, TL 120.790 and TL 1.458.650 as of 31 December 2009. Furthermore, according to the Company's General Shareholders' Meeting decision as at 21 April 2010 and considering the CMB board decision (30 December 2003, Law no: 1630), accumulated losses have been offset against share premium, legal reserves, and resulting capital amounts to TL 58.802.957. As a result of capital increase in year 2013, share capital and share premium amounts had been TL 76.802.957 and TL 91.953 respectively.

Foreign currency translation differences

Functional currencies of the Company's foreign subsidiaries', which are operating in non-highly inflationary economies in Romania (Pimapen Romania) and Russia (Enwin Russian Ltd.) are Euro and Ruble respectively. According to IAS 21 "Effects of Changes in Foreign Exchange Rates "during the consolidation, the assets and liabilities of Group's subsidiaries in foreign countries are translated to Euro and Rule with respect to the exchange rates on the balance sheet date. Equity items are converted with the Euro and Ruble rate in the relevant dates of inputs and outputs. Translation gain and loss are located under the equity capital "Foreign currency translation reserve''

Financial assets revaluation fund

Financial assets revaluation fund, arises from changes on fair value of available for sale financial assets and there is no revaluation fund as of 31.12.2014 (31 December 2013: TL 7.301 represents the balance after deferred tax effect is deducted).

Revaluation reserve

Related to revaluation of land and buildings of the Group, TL 55.953.188 (31 December 2013: TL 57.262.267) of revaluation fund represents the difference between the book value and the fair value after the net off deferred tax effect of TL 4.731.956 (31 December 2013: TL 4.902.141). These funds could not be distributed to shareholders.

As at 31 December 2014, the depreciation difference calculation based on the revalued amounts of TL 511.039 (2013: TL 505.833), after the deduction of the deferred tax effect amounting TL 127.760 (2013: TL 126.458) was transferred to accumulated losses from revaluation fund.

Special funds

As of 31 December 2014, special funds amounting TL 5.905.022 represents the profit from sale of fixed assets and subsidiary (2013: TL 5.883.119). These funds can not distibuted to shareholders.

Dividend payment

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation.

"As of December 31, 2014 there will be no net income and other resources for dividend payment after the deduction of accumulated losses in the Group's statutory accounts".

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

29. REVENUE AND COST OF SALES

a) Revenue

	2014	2013
Domestic sales	157.656.639	154.950.981
Foreign sales	17.746.803	16.775.895
	175.403.442	**171.726.876**

b) Cost of sales

	2014	2013
Direct material costs	98.975.905	96.549.229
Direct labor costs	5.175.664	5.078.449
Depreciation and amortization	3.991.347	4.031.473
Other production costs	23.989.411	23.452.982
Total cost of production	132.132.327	129.112.133
Change in finished goods	4.436.020	(1.086.212)
Finished goods at the beginning of the period	11.300.456	10.214.244
Finished goods at the end of the period	(6.864.436)	(11.300.456)
Change in work in process	68.843	(61.070)
Work in process at the beginning of the period	1.397.877	1.336.807
Work in process at the end of the period	(1.329.034)	(1.397.877)
Change in trade goods	9.776.783	9.751.621
Trade goods at the beginning of the period	1.934.980	2.391.626
Purchases	9.444.328	9.294.975
Trade goods at the end of the period	(1.602.525)	(1.934.980)
Change in the provision for inventory impairment	1.119.653	28.840
Provision for impairment at the beginning of the period	(1.025.031)	(996.191)
Provision for impairment at the end of the period	2.144.684	1.025.031
	147.533.626	**137.745.312**

c) Production and sales volumes

	2014		2013	
	Production	**Sales**	**Production**	**Sales**
PVC (kg)	31.885.196	33.334.841	33.924.633	34.307.452

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

30. MARKETING, SELLING AND DISTRUBITION AND GENERAL ADMINISTRATIVE EXPENSES

a) Selling and marketing expenses

	2014	2013
Personnel expenses	5.847.820	5.535.914
Shipping costs	2.627.629	2.766.675
Fair expenses	469.285	295.394
Advertising expenses	600.291	555.919
Dealer incentives and meeting expenses	1.015.736	738.649
Depreciation and amortization expenses	536.352	581.831
Import / export expenses	150.331	197.357
Car rental expense	188.412	195.748
Rent expense	379.136	433.265
Travel expenses	368.572	274.101
Lawyer and consultancy expenses	130.420	121.176
Free of charge sales	176.126	285.110
Other sales and marketing expenses	1.831.679	1.262.731
	14.321.789	**13.243.870**

b) General administrative expenses

	2014	2013
Personnel expenses	5.212.619	4.984.404
Lawyer and consultancy expenses	1.689.251	1.544.921
Provision for doubtful receivables	2.723.025	589.024
Depreciation expenses	155.878	206.770
Travel expenses	64.917	35.257
Receivables written-off	174.012	911.536
Other taxes and fees	189.868	186.216
Communication expenses	58.018	65.738
Additional witholding tax expense	-	794.231
Other general administrative expenses	1.212.304	827.330
	11.479.892	**10.145.427**

31. EXPENSES BY NATURE

a) Depreciation and amortization

	2014	2013
Cost of goods sold	3.911.408	3.892.716
Sales and marketing expenses	536.352	581.831
General administrative expenses	155.878	206.770
Inventories	79.939	138.757
	4.683.577	**4.820.074**

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

31. EXPENSES BY NATURE (cont'd)

b) Personnel expenses

	2014	2013
Wages and salaries	14.696.499	14.700.325
Other social expenses	4.667.552	3.592.949
Employer's share of social security	3.214.134	3.000.885
Provision for retirement pay (Note 26)	1.150.853	607.525
Provision for unused vacation (Note 26)	(713.623)	137.182
Performance based bonus accruals (Note 26)	60.000	82.638
	23.075.415	**22.121.504**

32. OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES

a) Other Income from Operating Activities

	2014	2013
Payables written-off	33.549	5.601
Fair participation income	489.385	159.252
Reversal of provisions	17.378	2.668
Income from sale of available for sale property	302.329	33.402
Insurance compensation income	66.426	7.137
Maturity date difference income	1.101.981	1.144.038
Interest income	478.160	670.332
Foreign exchange gain	-	1.533.226
Other	389.327	677.192
	2.878.535	**4.252.848**

b) Other Expenses from Operating Activities

	2014	2013
Resource Utilization Support Fund and penalty interests	12.783	681.680
Commission expenses	36.394	32.407
Special communication tax	14.741	16.830
Enka Foundation payments	16.000	67.011
The payments made under Law No. 6111	119.725	359.175
Custom expenses	9.607	10.699
Foreign exchange loss from operations	4.003.864	3.057.477
Other	2.697.729	781.749
	6.910.843	**5.007.028**

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

33. INCOME / LOSS FROM INVESTMENT ACTIVITIES

a) Income from Investment Activities

	2014	2013
Profit on sale of marketable securities	780.331	-
Profit on sale of fixed assets	19.779	-
Dividend income from associates	19.673	54.912
Foreign exchange gain from investment activities	-	2.946.852
Dividend income from affiliates	-	139.963
	819.783	**3.141.727**

b) Loss from Investment Activities

	2014	2013
Loss on sale of fixed asset	1.584.315	-
	1.584.315	**-**

34. FINANCE INCOME

	2014	2013
Unrealized gain on derivative instruments	496.075	-
	496.075	**-**

35. FINANCE EXPENSES

	2014	2013
Foreign exchange losses	10.062.520	11.727.060
Interest expense	2.447.877	3.477.638
Other	277.113	310.075
	12.787.510	**15.514.773**

36. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

	2014	2013
Non-current assets held for sale as of 1 January	804.744	846.194
Additions	125.900	29.700
Disposals	(160.044)	(71.150)
Asset classified as held for sale	**770.600**	**804.744**

As of 31 December 2014 and 2013, non-current assets held for sale consist of the land, the land and buildings received from customers against the doubtful receivables. These properties' market price are determined as TL 1.364.035 (31 December 2013: TL 1.532.621) as a result of the expert valuations performed in various years. The intention of the Group's management is to dispose these assets in a short period of time. There are no discontinued operations as at 31 December 2014. (2013: None)

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

37. TAX ASSETS AND LIABILITIES

Corporate Tax

The Group's activities, except for subsidiaries established outside of Turkey, is subject to corparation taxation in force in Turkey. Subsidiaries established outside of Turkey, is subject to the tax legislation in force in the countries in which it operates.

Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 2014 is 20% (2013: 20%) for the Group.

	31 December 2014	31 December 2013
Taxes payable	1.521.853	820.418
Prepaid taxes	(1.507.751)	(394.624)
Current income tax liabilities	**14.102**	**425.794**

As of December 31, 2014 and 2013, total tax expense for the years ended are as follows:

	2014	2013
Corporate tax for current period	1.521.853	820.418
Deferred tax expense / (income)	658.156	(987.568)
Total tax expense / (income)	**2.180.009**	**(167.150)**

The reconciliation of the amount of corporate tax income and profit before tax is as follows:

	2014	2013
Contiuning operations loss before tax	(15.020.140)	(2.534.959)
Income tax charge based on 20% (2013: 20%)	(3.004.028)	(506.992)
Non-deductible expenses	393.017	947.264
Non-taxable income	(175.021)	(40.431)
Adjustments that are not subject to deferred tax	925.493	-
Unused tax losses and tax offsets not recognised as deferred tax assets	4.282.088	-
Other	(241.540)	(566.991)
Tax (expense) / income	**2.180.009**	**(167.150)**

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

37. TAX ASSETS AND LIABILITIES (cont'd)

Deferred Tax:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% (31 December 2013: 20%) is used.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

As of 31 December 2014 and 2013, temporary differences that are subject to deferred tax and the distribution of the net deferred tax liability is calculated using effective tax rates are as follows:

	Deferred tax assets / (liabilities)		**Deferred tax effect**	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
Provision for employment termination benefits	610.614	531.020	79.594	50.346
The effect of temporary differences and revaluation of tangible fixed assets	(4.968.218)	(5.766.135)	797.917	(1.552.657)
Tax losses carried forward (*)	-	1.120.645	(1.120.645)	813.122
Discount on receivable / (payable), net	43.312	7.473	35.839	(245.467)
Other temporary differences	1.190.583	1.232.925	(42.343)	453.661
Deferred tax (liabilities) / asset, net	**(3.123.709)**	**(2.874.072)**	**(249.638)**	**(480.995)**

(*) At the balance sheet date, the Group has unused tax losses of TL 10.576.756 (31 December 2013: TL 5.603.225) available for offset against future profits. No deferred tax asset has been recognized in respect of the unpredictability of future profit streams. (2013: TL 1.120.645 has been recognized as a deferred tax assets)

The net deferred tax movement for the years ended 31 December 2014 and 2013 are as follows:

	2014	**2013**
Balance at 1 January	(2.874.072)	(2.393.077)
Deferred tax (expense) / income that is charged to income statement	(658.156)	987.568
Deferred tax expense that is charged to the revaluation funds under equity, net	-	(1.492.912)
Currency translation reserves	342.246	(41.954)
Deferred tax effect of actuarial gain / (loss) on pension benefit plans that is defined in equity	66.273	66.303
Balance at 31 December	**(3.123.709)**	**(2.874.072)**

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

37. TAX ASSETS AND LIABILITIES (cont'd)

Tax implementations in other countries

As of 31 December 2014 and 2013 effective tax rates in other countries are as follows:

	31 December 2014	31 December 2013
Russia	%20	%20
Romania	%16	%16

38. EARNINGS PER SHARE

Earnings per share, is calculated by dividing the weighted average number of common shares outstanding to the net loss for the year.

Companies distributing shares to existing shareholders from retained earnings ("Bonus Shares") to increase their capitals. The calculation of basic earnings per share, these shares are considered as issued shares. Therefore, the weighted average number of shares used in the calculation of basic earnings per share, issue of bonus shares is calculated by applying retrospectively.

Basic loss per share is calculated by dividing net loss with the weighted average number of issued ordinary shares of the shareholders.

	31 December 2014	31 December 2013
Net loss from continuing operations	(17.200.149)	(2.367.809)
Shareholders' net loss (TL)	(17.200.149)	(2.367.809)
Weighted average number of ordinary shares in issue	3.600.000.000	1.924.000.000
Loss per share (TL)	(0,0048)	(0,0012)
Loss per share from continuing operations (TL)	(0,0048)	(0,0012)

39. RELATED PARTY DISCLOSURES

Enka Insaat ve Sanayi Sirketi "Enka Insaat" was the main shareholder of Pimas until October 15, 2014. Enka Insaat transffered its Pimas shares to Deceuninck NV as of October 15, 2014 and after this date Deceuninck NV has been the main shareholder of Pimas. Till October 15, 2014, transactions with Enka Insaat, its subsidiaries, affiliaties and other Enka group companies and after October 15, 2014, transactions with Deceuninck NV and its affilities and subsidiaries with other Deceunick group companies are referred to as related parties to the consolidated financial statements.

The Group has no long-term receivables from related parties and long-term debt available as of 31 December 2014 and 2013. Short-term receivables from related parties, liabilities and transactions are made as follows:

a) Trade receivables from related parties

	31 December 2014	31 December 2013
Entaş Nakliyat ve Turizm Anonim Şirketi (Entaş)	-	697
	-	**697**

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

39. RELATED PARTY DISCLOSURES (cont'd)

b) Trade payables to related parties

	31 December 2014	31 December 2013
Enka Pazarlama İhracat İthalat Anonim Şirketi (Enka Pazarlama)	-	7.859
Ege Profil Ticaret ve Sanayi A.Ş.	149.138	-
	149.138	**7.859**

c) Sale of goods and services

None (31 December 2013: None).

d) Sale of land

Various attemps for the sale of the land registered under the assets of our subsidiary Pimapen Romania has been made but a willing buyer has not been found. The land with a revalued value of TL 1.235.020 according to Valuation Report dated 23 July 2009 in the consolidated financial statements, was valuated as 72.000 EURO in the Valuation Report prepared before the sale and was sold to Group company Enka Con.&Dev.Amserdam Suc.Cluj in return of 71.000 EURO. The TL 1.021.579 amount of loss as a result of this sale, has been reflected to consolidated financial statements dated 31 December 2014 in "Losses from Investment Activities".

e) Reflected Charges

	15.10.2014-31.12.2014	01.01.2014-15.10.2014	01.01.2013-31.12.2013
Main shareholder			
Enka İnşaat	-	-	100.725
	-	**-**	**100.725**

f) Goods and services purchased

	15.10.2014-31.12.2014	01.01.2014-15.10.2014	01.01.2013-31.12.2013
Main shareholder			
Enka İnşaat	-	86.662	108.934
Deceuninck NV	808.045	-	-
Other			
Entaş	-	82.344	81.252
Enka Pazarlama	-	7.278	59.098
Enka Spor	-	12.743	18.558
Ege Profil Ticaret ve Sanayi A.Ş	126.388	-	-
	934.433	**189.027**	**267.842**

g) Donations and aids

	01.01.2014-15.10.2014	01.01.2013-31.12.2013
Enka Vakfı	16.000	67.011

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

39. RELATED PARTY DISCLOSURES (cont'd)

h) Chairman and members of the Board of Directors, the general manager, general coordinator, assistant general managers received the total compensation of TL 870.259 for the year ended 31 December 2014 (31 December 2013: TL 706.631), the total premiums paid to Social Insurance Institution is TL 17.026 (31 December 2013: TL 19.225) and there is no accrued severance payment as of 31 December 2014 (31 December 2013: TL 124.213); the total compensation paid to other top executives except above-mentioned is TL 2.376.076 for the year ended 31 December 2014 (31 December 2013: TL 1.968.413), the total premiums paid to Social Insurance Institution is TL 106.736 (31 December 2013: TL 76.565) and as of 31 December 2014 there is no accrued severance payment (31 December 2013: TL 146.708).

i) As of 31 December 2014 there is no pledges and mortgages given to the Shareholders and other related parties. (31 December 2013: TL 24.494.612 and TL 3.500). Pledges given on behalf of 3rd parties is TL 531.961. (31 December 2013: None.)

40. DERIVATIVE INSTRUMENTS

	31 December 2014		31 December 2013	
	Assets	Liabilities	Assets	Liabilities
Forward exchange				
Short term	496.075	-	-	-
Long term	-	-	-	-
	496.075	-	-	-

Currency derivatives:

The Group utilizes currency derivatives to hedge significant future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which the Group is committed are as follows:

	31 December 2014	31 December 2013
Forward foreign exchange contracts	29.203.425	-
	29.203.425	-

As of 31 December 2014, the fair value of the Group's currency derivatives are estimated to be approximately TL 496.075 (2013: None). As of balance sheet date, in determination of this asset value of TL 496.075 (2013: None) of derivtives, discounted cash flow method is used.

TL 11.025 (2013: None) have been transferred to the statement of profit or loss in respect of contracts matured during the period.

Changes in the fair value of non-hedging currency derivatives amounting to TL 496.075 have been charged to income in the current year (2013: none).

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to various financial risks, including the effects of interest rate changes debt and equity market prices, foreign currency exchange rates. These risks include market risk (currency risk and interest rate risk), credit risk and liquidity risk. These risks are managed as described below. The Group also monitors the market price risk arising from all financial instruments.

Credit Risk

Credit risk involves the risk that counterparties may be unable to meet the terms of their agreements. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group also sets mortgages on real estate collateral on goods sold to secure a large part of receivables. Therefore, the Group does not expect significant losses on financial instruments.

Credit risk concentration is a result of similar business activities or operates in the same geographic region or has similar economic characteristics. Trade receivables consist of many customers that operate in various industries and locations. The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. Trade receivables, are evaluated based on the Group's policies and procedures and as a result presented net of doubtful provision in the financial statements (Note 10).

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

	Receivables						
Current Year – 31 December 2014	Trade receivables	Receivable from related parties	Other receivables	Long-term trade receivable	Cheques in collection	Bank Deposit (Note 6)	Other
Maximum net credit risk of balance sheet date (A+B+C+D+E) (1)	70.851.975	-	3.500	1.104.288	2.476.767	21.163.550	-
- The part of maximum risk under guarantee with colleteral(2)	47.125.833	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	69.518.587	-	3.500	1.104.288	2.476.767	21.163.550	-
B. Net book value of assets that would be over due impaired unless restricted	-	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	1.333.388	-	-	-	-	-	-
- Secured portion via guarantee or etc.	905.727	-	-	-	-	-	-
D. Net book value of impaired assets							
- Overdue (gross book value)	5.482.788	-	-	-	-	-	-
- Impairment (-) (Note 10)	(5.482.788)	-	-	-	-	-	-
- Secured net value via guarantee or etc.	-	-	-	-	-	-	-
- Not due (gross book value)							
- Impairment (-)	-	-	-	-	-	-	-
- Secured net value via guarantee or etc.	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(1) Excluding guarantees received which have a positive effect on the credibility.
(2) Guarantees consist of the leveraged buyouts, guarantee checks, record foreclosures and mortgages. This amount includes the portion of the collateral covering the relevant risk.

	Receivables						
Prior Year – 31 December 2013	Trade receivables	Receivable from related parties	Other receivables	Long-term trade receivable	Cheques in collection	Bank Deposit (Note 6)	Other
Maximum net credit risk of balance sheet date (A+B+C+D+E) (1)	70.626.686	697	2.944	984.551	1.828.156	33.438.105	-
- The part of maximum risk under guarantee with colleteral(2)	46.188.622	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	67.091.045	697	2.944	984.551	1.828.156	33.438.105	-
B. Net book value of assets that would be over due impaired unless restricted	-	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	3.535.641	-	-	-	-	-	-
- Secured portion via guarantee or etc.	2.501.536	-	-	-	-	-	-
D. Net book value of impaired assets							
- Overdue (gross book value)	6.572.916	-	-	-	-	-	-
- Impairment (-) (Note 10)	(6.572.916)	-	-	-	-	-	-
- Secured net value via guarantee or etc.	-	-	-	-	-	-	-
- Not due (gross book value)							
- Impairment (-)	-	-	-	-	-	-	-
- Secured net value via guarantee or etc.	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(1) Excluding guarantees received which have a positive effect on the credibility.
(2) Guarantees consist of the leveraged buyouts, guarantee checks, record foreclosures and mortgages. This amount includes the portion of the collateral covering the relevant risk.

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity Risk

Companies should have sufficient to meet the obligations of the fund to be able to continue its operations. The related risk is reduced adhering to the borrowing limits of the qualified credit institutions coupled with the volume of cash in and out.

As of 31 December 2014 and 2013, according to the due dates, maturities, undiscounted commercial and financial liabilities of the Group are as follows:

31 December 2014

Contractual (or expected) maturity	Carrying Value	Total cash outflow according to contract (=I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and over (IV)
Non-derivative financial liabilities						
Bank loans	47.278.382	50.228.961	10.856.500	27.809.155	11.563.306	-
Trade payables	22.428.271	22.481.157	6.072.105	16.409.052	-	-

31 December 2013

Contractual (or expected) maturity	Carrying Value	Total cash outflow according to contract (=I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and over (IV)
Non-derivative financial liabilities						
Bank loans	79.187.966	80.205.149	30.501.182	49.403.804	300.163	-
Trade payables	16.465.385	16.524.524	6.721.798	9.802.726	-	-

Market Risk

a) Foreign currency position table and related sensitivity analysis

The Group is exposed to foreign exchange risk arising primarily from USD, Euro, Ruble and the Romanian Leu.

There is also foreign currency risk because of the transactions of the Group. These risks related with buying and selling of goods in currencies other than the Group's presentation currency and use of bank loans in foreign currencies

The Group uses a natural method of hedging foreign currency risk which manages foreign currency risk by maintaining the balance.

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

a) Foreign currency position table and related sensitivity analysis (cont'd)

The carrying amount of assets and liabilities held in foreign currencies by the Group are as follows:

						Foreign currency position Current year
	31 December 2014	**TL equivalent (functional currency)**	**US Dollar**	**Euro**	**Russian Ruble**	**Romanian Leu**
1.	Trade receivables	2.420.082	511.035	355.597	4.020.129	112.203
2a.	Monetary financial assets (including cash, banks)	6.885.206	804.644	1.049.501	48.296.421	184.569
2b.	Non-monetary financial assets	-	-	-	-	-
3.	Other	-	-	-	-	-
4.	**Current Assets (1+2+3)**	**9.305.288**	**1.315.679**	**1.405.098**	**52.316.550**	**296.772**
5.	Trade receivables	-	-	-	-	-
6a.	Monetary financial assets	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	**Non-Current Assets (5+6+7)**	-	-	-	-	-
9.	**Total Assets (4+8)**	**9.305.288**	**1.315.679**	**1.405.098**	**52.316.550**	**296.772**
10.	Trade payables	(19.661.420)	(8.414.076)	(33.900)	(1.219.930)	(8.478)
11.	Financial liabilities	(34.043.725)	(4.449.600)	(6.870.503)	(108.000.000)	-
12a.	Other monetary liabilities	(345.728)	-	-	(8.553.976)	(2.422)
12b.	Other non-monetary liabilities	-	-	-	-	-
13.	**Short-term liabilities (10+11+12)**	**(54.050.873)**	**(12.863.676)**	**(6.904.403)**	**(117.773.906)**	**(10.900)**
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	-	-	-	-	-
16a.	Other monetary liabilities	-	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-	-
17.	**Long-term liabilities (14+15+16)**	-	-	-	-	-
18.	**Total liabilities (13+17)**	**(54.050.873)**	**(12.863.676)**	**(6.904.403)**	**(117.773.906)**	**(10.900)**
19.	Net asset / (liability) position of off-balance sheet Derivative instruments (19a-19b)	29.565.975	12.750.000	-	-	-
19a.	Total amount of hedged assets	29.565.975	12.750.000	-	-	-
19b.	Total amount of hedged liabilities	-	-	-	-	-
20.	**Net foreign currency asset / (liability) position (9 +18 +19)**	**(15.179.609)**	**1.202.003**	**(5.499.305)**	**(65.457.356)**	**285.872**
21.	**Monetary items net foreign currency asset / (liability) position (= 1 +2 a +5 +6 a-10-11-12a-14-15-16a)**	**(15.179.609)**	**1.202.003**	**(5.499.305)**	**(65.457.356)**	**285.872**
22.	**Total fair value of financial instruments used to hedging foreign currency**	-	-	-	-	-
23.	Export	15.274.277	4.101.862	2.171.084	-	-
24.	Import	75.089.674	27.906.613	4.844.833	-	-

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

a) Foreign currency position table and related sensitivity analysis (cont'd)

					Foreign currency position	
						Prior year
	31 December 2013	TL equivalent (functional currency)	US Dollar	Euro	Russian Ruble	Romanian Leu
1.	Trade receivables	4.405.821	811.912	658.702	9.999.660	138.999
2a.	Monetary financial assets (including cash, banks)	8.692.115	3.187.064	57.811	23.406.777	311.806
2b.	Non-monetary financial assets	-	-	-	-	-
3.	Other	-	-	-	-	-
4.	**Current Assets (1+2+3)**	**13.097.937**	**3.998.976**	**716.513**	**33.406.437**	**450.805**
5.	Trade receivables	320.595	-	109.176	-	-
6a.	Monetary financial assets	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	**Non-Current Assets (5+6+7)**	**320.595**	**-**	**109.176**	**-**	**-**
9.	**Total Assets (4+8)**	**13.418.532**	**3.998.976**	**825.689**	**33.406.437**	**450.805**
10.	Trade payables	(13.361.029)	(6.240.581)	(5.424)	(287.079)	(11.059)
11.	Financial liabilities	(77.279.325)	(18.215.981)	(13.077.118)	-	-
12a.	Other monetary liabilities	(436.128)	-	-	(6.703.998)	(2.818)
12b.	Other non-monetary liabilities	-	-	-	-	-
13.	**Short-term liabilities (10+11+12)**	**(91.076.482)**	**(24.456.562)**	**(13.082.542)**	**(6.991.077)**	**(13.877)**
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	(293.650)	-	(100.000)	-	-
16a.	Other monetary liabilities	-	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-	-
17.	**Long-term liabilities (14+15+16)**	**(293.650)**	**-**	**(100.000)**	**-**	**-**
18.	**Total liabilities (13+17)**	**(91.370.132)**	**(24.456.562)**	**(13.182.542)**	**(6.991.077)**	**(13.877)**
19.	Net asset / (liability) position of off-balance sheet Derivative instruments (19a-19b)	-	-	-	-	-
19a.	Total amount of hedged assets	-	-	-	-	-
19b.	Total amount of hedged liabilities	-	-	-	-	-
20.	**Net foreign currency asset / (liability) position (9 +18 +19)**	**(77.951.600)**	**(20.457.586)**	**(12.356.853)**	**26.415.360**	**436.928**
21.	**Monetary items net foreign currency asset / (liability) position (= 1 +2 a +5 +6 a-10-11-12a-14-15-16a)**	**(77.951.600)**	**(20.457.586)**	**(12.356.853)**	**26.415.360**	**436.928**
22.	**Total fair value of financial instruments used to hedging foreign currency**	**-**	**-**	**-**	**-**	**-**
23.	Export	14.346.264	3.954.188	2.697.078	-	-
24.	Import	70.215.738	29.635.115	5.462.339	-	-

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

a) Foreign currency position table and related sensitivity analysis (cont'd)

As of 31 December 2014 and 2013, the sensitivity analysis against the 10% changes in the U.S. Dollar, Euro, Russian ruble, Romanian Leu and Group's profit before tax when the other variables held constant are as follows:

		Foreign Currency Sensitivity Analysis Chart	
			Current Year
		Profit / (loss)	**Profit / (loss)**
		Foreign currency appreciation	**Foreign currency depreciation**
	10% change in US Dollar/TL Parity:		
1-	US Dollar net asset/(liabilities)	(2.677.865)	2.677.865
2-	US Dollar net hedged amount (-)	-	-
3-	**US Dollar net effect (1+2)**	**(2.677.865)**	**2.677.865**
	10% change in EURO/TL Parity:		
4-	EURO net asset/(liabilities)	(1.551.189)	1.551.189
5-	EURO net hedged amount (-)	-	-
6-	**EURO net effect (4+5)**	**(1.551.189)**	**1.551.189**
	10% change in Russian Ruble/TL Parity:		
7-	Russian Ruble net asset/(liabilities)	(263.400)	263.400
8-	Russian Ruble net hedged amount (-)	-	-
9-	**Russian Ruble net effect (7+8)**	**(263.400)**	**263.400**
	10% change in Romanian Leu/TL Parity:		
10-	Romanian Leu net asset/(liabilities)	17.896	(17.896)
11-	Romanian Leu hedged amount (-)	-	-
12-	**Ron net effect (10+11)**	**17.896**	**(17.896)**
	Total (3+6+9+12)	**(4.474.558)**	**4.474.558**

		Foreign Currency Sensitivity Analysis Chart	
			Prior Year
		Profit / (loss)	**Profit / (loss)**
		Foreign currency appreciation	**Foreign currency depreciation**
	10% change in US Dollar/TL Parity:		
1-	US Dollar net asset/(liabilities)	(4.366.263)	4.366.263
2-	US Dollar net hedged amount (-)	-	-
3-	**US Dollar net effect (1+2)**	**(4.366.263)**	**4.366.263**
	10% change in EURO/TL Parity:		
4-	EURO net asset/(liabilities)	(3.628.590)	3.628.590
5-	EURO net hedged amount (-)	-	-
6-	**EURO net effect (4+5)**	**(3.628.590)**	**3.628.590**
	10% change in Russian Ruble/TL Parity:		
7-	Russian Ruble net asset/(liabilities)	171.119	(171.119)
8-	Russian Ruble net hedged amount (-)	-	-
9-	**Russian Ruble net effect (7+8)**	**171.119**	**(171.119)**
	10% change in Romanian Leu/TL Parity:		
10-	Romanian Leu net asset/(liabilities)	28.574	(28.574)
11-	Romanian Leu hedged amount (-)	-	-
12-	**Ron net effect (10+11)**	**28.574**	**(28.574)**
	Total (3+6+9+12)	**(7.795.160)**	**7.795.160**

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

b) The interest rate position and sensitivity analysis

Interest rate risk

The Group's exposure to market risk for changes in cash flow interest rates relates to the Group's portfolio short-term and long-term financial liabilities. Group manages interest rate risk through natural hedges that arise from offsetting the same interest bearing assets and liabilities.

Due dates and distributions of interest sensitive assets and liabilities have been presented in related notes.

The interest rate position		**31 December 2014**	**31 December 2013**
	Fixed rate financial instruments		
Financial assets	Assets with fair value differences reflected through profit / (loss)	-	-
	Available-for-sale financial assets	-	-
Financial liabilities		46.995.000	70.228.209
	Variable rate financial instruments		
Financial assets		-	-
Financial liabilities		283.382	8.959.757

The following table shows 0.5% rates of increase in interest at the level of profit before tax, shows the impact on floating rate credits.

	Impact on the profit before tax	
Interest rate increases	**31 December 2014**	**31 December 2013**
Libor	-	(4.032)
Euribor	(572)	(18.420)

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes cash and cash equivalents disclosed and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 28.

The Group's management reviews the capital structure of the Group collectively. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the committee, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

In addition and consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents.

	31 December 2014	31 December 2013
Total debt (*)	97.871.018	119.022.030
Less: Cash and cash equivalent (Note 6)	(23.690.025)	(35.374.402)
Net debt	74.180.993	83.647.628
Total shareholders' equity	93.143.858	107.189.073
Debt / equity ratio	80%	78 %

(*) As of 31 December 2014, advance received for orders within the total debt amounts TL 18.124.759 (31 December 2013: TL 12.714.890)

42. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

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

The following methods and assumptions were used to estimate the fair value of the financial instruments.

Financial assets

The fair value of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial asset is considered to approximate their respective carrying value due to their short-term nature. The fair value of investment securities has been estimated based on the market prices at balance sheet dates.

42. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (cont'd)

Financial liabilities

Carrying values are estimated to approximate their fair values due to the trade payables and other monetary liabilities are short-term. Bank loans are expressed in discounted cost and transaction costs are added to the initial recording of loans. The fair value of credits considered to represent their carrying value in according to interest rates on changing market conditions. The carrying values are assumed to approximate their fair values due to their short maturity of fixed-rate credits and the rotative credits.

Fair value hiearchy table

As of 31 December 2014, the Group has liabilities from the following financial assets and liabilities at fair value:

The Group classified financial instruments recognized at fair value in the financial statements according to the source of valuation of each class of financial instruments by using a three-level hierarchy, are as follows:

Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions andtraded on active liquid markets are determined with reference to quoted market prices;

Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions

Level 3: The fair value of the financial assets and financial liabilities are determined where there is no observable market data

Fair value hiearchy of financial assets and liabilities that are measured at fair value:

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial Assets / Financial Liabilities	Fair value as at		Fair value hierarchy	Valuation technique
	31 December 2014	31 December 2013		
Foreign currency forward contracts	496.075	-	2	Discounted cash flow
Equity investments (held for trading)	-	1.117.013	1	Market value

43. EVENTS AFTER THE BALANCE SHEET DATE

- Deceuninck NV has possessed Pimaş Plastik İnşaat Malzemeleri A.Ş's management control directly by taking over Pimaş's capital, represents of 81.23 %, on 15 October 2014. For the purpose of invitation to Pimaş's shareholders in the Take Over Bid Declaration (Serial: II – 26.1) framework; in accordance with at the date of 16.12.2014 and number of 2014/34 Weekly Bulletin, Pimaş's takeover bid has been determined as TRY 2,8120 considering TL 1 nominal valued shares. It has been announced to public and responded positively on 19 December 2014; provided that by adding calculated interest within over 50 % of annual TRLIBOR ratio, is declared by Union of Banks of Turkey, considering overdue of determined price (after 15.12.2014) in accordance with predicted Disclosure of II-26.1, Article 13, Paragraph 2.

According to method describe above; tender offer calculated per 1 Nominal value of "Pimas" share is TL 2,823664 and tender offer "Information Form" revised as of December 24, 2014 and has been approved by the Capital Market Board to be declared to the public as of December 25, 2014.

According to the decision mentioned above and declarations within the call information form as appendix to Pimaş's special case disclosure on 25 December 2014, call process had been performed in 10 workdays period between 26 December 2014 and 9 January 2015 by Ünlü Menkul Değerler A.Ş.

The total nominal amount of share received as a result of tender offer during the invitation to bid place amounts TL 2.290.994,96.

As a result, Deceuninck's ownership in Pimaş's capital;
The total nominal amount of share capital and rate before the tender offer: 29.244.344,93 TL ; %81,23
The total nominal amount of share capital and rate after the tender offer: 31.535.339,89 TL ; %87,60

- Prevailing from 1 January 2015, due to change in sales policy strategy and inexistence of trade relation between Pimaş and its selling dealers, it was decided that Selling Dealer agreements might be terminated by referring to the provision of "In conditions when there are sales policy strategy changes, one sided termination of agreements might be processed without referring to period and Producing Dealer's approval." and relations with the Selling Dealers might again be continued when the new Selling Dealer agreements are signed.
As a result, agreements signed with the Selling Dealers as a third party side have been terminated, guarantees received from selling dealers should no longer be folowed within Pimaş A.Ş. guarantees.

44. DISCLOSURE OF OTHER MATTERS THAT MAY AFFECT CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANTLY OR IS NECESSARY FOR CONSOLIDATED FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND COMPREHENSIBLE

None (31 December 2013: None).