

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ

TİCARET A.Ş. AND IT'S SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH

OF CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014 AND AUDIT REPORT

INDEPENDENT AUDIT REPORT

Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş.

To the Board of Directors

1. We have audited the accompanying balance sheet of Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret Anonim Şirketi ("Company") and It's subsidiaries (together "Group") as of December 31, 2014 and the related statements of income and cashflow for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

2. Company management is responsible for the preparation and fair presentation of these financial statements in accordance with Turkish Accounting Standards, 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Turkey ("CMB") and Standards on Auditing which is a component of the 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Opinion

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. and It's subsidiaries as of December 31, 2014, and of its financial performance and its cash flows for the period then ended in accordance with Turkish Accounting Standards.

Reports on other responsibilities arising from regulatory requirements

5. In accordance with subparagraph 4, Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January — 31 December 2014 and financial statements are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.
6. In accordance with subparagraph 4, Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.
7. Auditors' report on Risk Management System and Committee prepared in accordance with subparagraph 4, Article 378 of Turkish Commercial Code no. 6102 ("TCC") is submitted to the Board of Directors of the Group on 06 March 2015.

AC İSTANBUL ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.

Member of ENTERPRISE WORLDWIDE



Cemal ÖZTÜRK CPA
Principal Auditor in Charge

İstanbul, 06 March 2015

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2014

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

ASSETS	Notes	Audited Current Period 31.12.2014	Audited Previous Period 31.12.2013
CURRENT ASSETS		169.819.622	202.128.694
Cash and Cash Equivalents	6	6.743.368	6.227.985
Trade Receivables		63.498.484	91.552.913
- Trade Receivables from Related Parties	9-37	1.330.139	3.177.953
- Trade Receivables from 3rd Parties	9	62.168.345	88.374.960
Other Receivables		5.305.623	3.675.427
- Other Receivables from Related Parties	10-37	-	-
- Other Receivables from 3rd Parties	10	5.305.623	3.675.427
Inventories	12	77.965.373	82.777.457
Prepaid Expenses	13	9.389.239	10.055.338
Current Assets Related with Current Period Tax	35	23.744	669.747
Other Current Assets	26	6.893.791	7.169.826
NON-CURRENT ASSETS		42.275.299	34.766.643
Other Receivables	10	29.696	40.686
- Other Receivables from Related Parties	10-37	-	-
- Other Receivables from 3rd Parties	10	29.696	40.686
Investment Property	16	8.749.957	6.559.614
Tangible Fixed Assets	17	27.439.031	24.630.173
Intangible Fixed Assets		2.526.967	994.612
- Goodwill		-	-
- Other Intangible Fixed Assets	18	2.526.967	994.612
Prepaid Expenses	13	3.714	16.785
Deferred Tax Assets	35	3.525.934	2.524.773
Other Noncurrent Assets	26		
TOTAL ASSETS		212.094.921	236.895.337

The accompanying accounting policies and explanatory notes are an integral part of these statements

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2014

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

LIABILITIES	Notes	Audited Current Period 31.12.2014	Audited Previous Period 31.12.2013
Short Term Liabilities		114.931.006	165.163.972
Short Term Borrowings	8	44.948.566	104.835.223
Short Term Parts of Long Term Borrowings			
Other Financial Liabilities			
Trade Payables		36.275.754	34.524.656
- Due to Related Parties	9-37	85.507	399.209
- Other Trade Payables	9	36.190.247	34.125.447
Employee Benefits	25	1.448.882	1.432.461
Other Payables		1.532.700	551.948
- Due to Related Parties	10-37	-	-
- Other Payables	10	1.532.700	551.948
Deferred Income	13	29.697.655	23.106.345
Taxes on Income	35		
Short Term Provisions		1.027.449	713.339
-Short Term Provisions of Employee Benefits	25	593.583	443.795
- Other Short-Term Provisions	23	433.866	269.544
Long Term Liabilities		53.801.720	40.868.088
Long Term Borrowings	8	48.129.705	36.555.642
Long-term provisions		2.246.329	1.747.700
-Long Term Provisions of Employee Benefits	25	2.246.329	1.747.700
Deferred Tax Liability	35	3.425.686	2.564.746
EQUITY CAPITAL		43.362.195	30.863.277
EQUITY CAPITAL OF PARENT COMPANY		40.245.697	28.057.657
Paid-in Capital	27	25.000.000	25.000.000
Difference from Share Capital Adjustment			
Reacquired Shares (-)		(38.827)	-
Other Comprehensive Income or			
Expenses not to be reclassified on Profit or Loss		6.999.213	4.084.030
- Revaluation and Measurement Income/Loss	27	7.309.143	4.322.860
- Identified Benefit Plans Reclassification Income/Loss	27	(309.930)	(238.830)
Restricted Reserves	27	2.108.305	2.061.453
The Merge Effect of Entities subject to Common Control	27	(1.759.039)	(1.759.039)
Retained Earnings	27	(1.375.639)	6.883.818
Net Profit of The Period	36	9.311.684	(8.212.605)
MINORITY SHARES		3.116.498	2.805.620
TOTAL LIABILITIES		212.094.921	236.895.337

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS ENDED DECEMBER 31,2014
(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

Audited

		Current Period		Previous Period	
	Notes	01.01.2014 - 31.12.2014	01.01.2014 - 31.12.2013		
CONTINUING OPERATIONS					
Sales	28	169.794.388	146.424.469		
Cost of Sales (-)	28	(135.963.009)	(111.262.901)		
GROSS PROFIT/(LOSS)		33.831.379	35.161.568		
General Administrative Expenses (-)	29	(9.018.261)	(9.654.548)		
Marketing Expenses (-)	29	(10.678.111)	(12.837.710)		
Other Income From Operations	31	15.059.699	15.473.604		
Other Expenses From Operations (-)	31	(11.137.843)	(7.606.867)		
OPERATING PROFIT/ (LOSS)		18.056.863	20.536.047		
Income from Investing activities	32	2.409.334	1.806.405		
Expenses from Investing activities (-)	32	-	-		
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		20.466.197	22.342.452		
Financial Incomes	33	9.923.522	1.475.759		
Financial Expenses (-)	33	(20.945.464)	(31.767.669)		
PROFIT/ (LOSS) BEFORE PROVISION FOR TAXES		9.444.255	(7.949.458)		
Tax Income/(Expense) From Operating Activities		(270.155)	26.687		
-Tax For Period	35	(543.515)	(102.601)		
-Deferred Tax Income/ (Expense)	35	273.360	129.288		
NET PROFIT/ (LOSS) FOR THE PERIOD	36	9.174.100	(7.922.771)		
Distribution of the Profit for the Year:		9.174.100	(7.922.771)		
- Non-Controlling Interests		(137.584)	289.834		
- Parent Company Shares	36	9.311.684	(8.212.605)		
Earnings Per Share					
- Earnings Per Share from Continuing Operations	36	0,372	(0,329)		
- Diluted Earnings Per Share from Continuing Operations		0,372	(0,329)		
NET PROFIT / (LOSS)		9.174.100	(7.922.771)		
Items not to be reclassified in profit or loss		3.316.615	4.525.737		
- Revaluation of Tangible Assets Increase / (Decrease)		3.147.593	4.556.519		
- Defined Benefit Plans Remeasurement Gains / Losses		140.852	(38.478)		
Other Comprehensive Income Items not to be reclassified as Other Profit or Loss					
Taxes regarding Other Comprehensive Income not to be reclassified in Profit or Loss		28.170	7.696		
- Current Tax (Expense) / Income		-	-		
- Deferred tax (expense) / income		28.170	7.696		
Things to be reclassified in profit or loss		(161.310)	(233.659)		
Reclassification to profit or loss in other comprehensive income Taxes on Income / (Expense)		(161.310)	(233.659)		
- Current Tax (Expense) / Income		-	-		
- Deferred Tax (Expense) / Income		(161.310)	(233.659)		
OTHER COMPREHENSIVE INCOME (AFTER TAX)		3.155.305	4.292.078		
TOTAL COMPREHENSIVE INCOME		12.329.405	(3.630.693)		
Comprehensive Income Distribution :		12.329.406	(3.630.693)		
Non-Controlling Interests		(33.500)	520.891		
Parent Company Shares		12.362.906	(4.151.584)		

The accompanying accounting policies and explanatory notes are an integral part of these statements.

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASHFLOW PERIODS ENDED DECEMBER 31,2014
(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited	
		Current Period 01.01.2014 - 31.12.2014	Previous Period 01.01.2013 - 31.12.2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		48.872.693	(60.650.416)
Net profit/ (loss) for period	36	9.174.100	(7.922.771)
Adjustments to reconcile net profit / (loss) :		(1.052.701)	8.384.515
- Depreciation and amortization	17,18,30	1.099.970	1.033.131
- Adjustments for impairments/reversals		(3.874)	-
- Changes in provisions	23	64.801	2.481.738
- Interest Income and Expense	33	(75.280)	135.194
- Unrealized exchange loss/ (gain)		(117.072)	5.151.864
- Fair Value (Loss) / Gain		(2.190.343)	-
- Gain/ losses on sale of tangible assets		(126.346)	1.711
- Other adjustments related to profit/loss reconciliation		295.443	(419.123)
Changes on Capital		40.572.548	(58.611.486)
- Increases/decreases in inventories	12	4.812.084	(39.211.626)
- Increases/decreases in trade receivables	9,37	28.054.429	(29.330.782)
- Increases/decreases in other receivables	10,37	(1.630.196)	1.384.095
- Increases/decreases in trade payables	9,37	1.751.098	(1.047.390)
- Increases/decreases in other payables	10,37	980.752	(840.603)
- Other increases/decreases in net working capital	26	6.604.381	10.434.820
Cash flows from operating activities		48.693.947	(58.149.742)
Tax Payments>Returns	35	646.003	(1.290.624)
Other Cash Inflows / Outflows	35	(467.257)	(1.210.050)
B. CASHFLOW PROVIDED BY INVESTING ACTIVITIES		3.193.494	(337.865)
Proceeds from sale of tangible and intangible assets	17,18	401.000	748.508
Cash outflows due to purchases of tangible and intangible assets	17,18	2.595.560	(1.086.373)
Proceeds from Government Grants		108.111	-
Interest received		88.823	-
C. CASHFLOW PROVIDED BY FINANCING ACTIVITIES		(51.550.804)	66.875.308
Cash Outflows from Buying Shares and Other Equity Instruments			
Proceeds from borrowings	8	138.258.382	252.485.075
Repayments of borrowings	8	(200.350.938)	(178.504.379)
Financial leases paid	8	710.789	-
Dividend Payments		-	(4.250.000)
Interest received		2.088.520	1.402.645
Interest Payments		7.742.443	(4.258.033)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)		515.383	5.887.027
D. FOREIGN CURRENCY CONVERSION ADJUSTMENTS EFFECTS ON CASH AND CASH EQUIVALENTS			
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		515.383	5.887.027
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	6.227.985	340.958
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (A+B+C+D+E)	6	6.743.368	6.227.985

The accompanying accounting policies and explanatory notes are an integral part of these statements

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED DECEMBER 31, 2014

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

Notes	Paid-in Capital	Adjustment to Share Capital	Reacquired Shares	Treasury Shares	Special Fund	Other Comprehensive Profit/(Loss) Not to be Reclassified on Profit or Loss		Other Comprehensive Profit/(Loss) to be Reclassified on Profit or Loss			The Merge Effect of Entities subject to Common Control	Restricted Reserves	Retained Earnings		Attributable to Equity Holders of the Parent	Non controlling shares	Equity	
						Identified Benefit Plans Reclasification Income/Loss	Tangible Assets Revaluation Increase	Currency Translation Differences	Hedging Profit / (Loss)	Revaluation and Remeasurement Gain/(Loss)			Retained Profit / (Loss)	Net Period Profit / (Loss)				
PREVIOUS PERIOD																		
01 January 2013 Opening	27	25,000.000	-	-	-	(303.708)	-	-	-	-	(1.759.039)	1.162.896	3.511.201	9.271.174	36.882.524	1.378.579	38.261.103	
Adjustments regarding Errors		-	-	-	-	-	-	-	-	-	-	898.557	(898.557)	-	-	-	-	
Transfers		-	-	-	-	-	-	-	-	-	-	-	9.271.174	(9.271.174)	-	-	-	
Total Comprehensive Income		-	-	-	-	64.878	-	-	-	-	-	-	-	(8.212.605)	(8.147.727)	289.834	(7.857.893)	
The Merge Effect of Entities subject to Common Control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restricted Reserves		-	-	-	-	-	-	-	-	-	-	-	(5.000.000)	-	(5.000.000)	-	(5.000.000)	
Other Changes Increase / Decrease		-	-	-	-	-	4.322.860	-	-	-	-	-	-	-	4.322.860	1.137.207	5.460.067	
Balance at 31 December 2013	27	25,000.000	-	-	-	(238.830)	4.322.860	-	-	-	(1.759.039)	2.061.453	6.883.818	(8.212.605)	28.057.657	2.805.620	30.863.277	
CURRENT PERIOD																		
01 January 2014 Opening	27	25,000.000	-	-	-	(238.830)	4.322.860	-	-	-	(1.759.039)	2.061.453	6.883.818	(8.212.605)	28.057.657	2.805.620	30.863.277	
Transfers		-	-	-	-	-	-	-	-	-	-	-	(8.212.605)	8.212.605	-	-	-	
Total Comprehensive Income		-	-	-	-	(71.100)	2.986.283	-	-	-	-	-	-	9.311.684	12.226.867	(137.584)	12.089.283	
Reaccure of Share Operations Increase / Decrease		-	(38.827)	-	-	-	-	-	-	-	-	-	-	-	(38.827)	448.462	409.635	
Other Changes Increase / Decrease		-	-	-	-	-	-	-	-	-	-	46.852	(46.852)	-	-	-	-	
Balance at 31 December 2014	27	25,000.000	(38.827)	-	-	(309.930)	7.309.143	-	-	-	(1.759.039)	2.108.305	(1.375.639)	9.311.684	40.245.697	3.116.498	43.362.195	

The accompanying accounting policies and explanatory notes are an integral part of these statements

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

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KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

1. ORGANIZATION AND ACTIVITIES

Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret Anonim Şirketi ("Company") was established in 1985 by registered to İzmir Trade Registry and announced at 1380 numbered and 05.11.1985 dated trade registry gazette.

The Group's head office address : Ataturk Organized Industrial Zone 10032 Sokak No: 10 Çiğli / IZMIR and the Company does not have any branch office.

The Group's liason office address : Kızılırmak Mah.1445 Sok. No: 2b/82 The Pragon İş Merkezi Çukurambar – Çankaya / ANKARA

The Company and its subsidiaries (the "Group") operate in all manner of onboard equipment manufacturing , painting workshop and weld workshop fields. The business segment whose details given below underlie Group's reporting by field of activity .

Group 's main activities are as follows :

Painting Work - Painting of vehicle equipment

Weld Work - Onboard equipment weld workshop

Vehicle Equipment Manufacturing- onboard equipment manufacturing for the fire, trash , vacuum , grooving, ecological vehicle , transport vehicle , defense industry vehicles and construction industry vehicles

Company shares were offered to the public in 2010 and 36,29 % of sheres are trading Istanbul Stock Exchange Inc. (BIST) as of December 31, 2014.

As of 31 December 2014, the total number of people employed by the Group is 297. (31 December 2013: 398).

The ultimate parent of Group is managed by İsmail Katmerci. (Note 27).

The nature of operations and the operation groups of the companies included in consolidation are presented as follows:

Companies included in consolidation:

<u>Company</u>	<u>Nature of business</u>	<u>Country of registration</u>
Katmerciler Profil San. ve Tic. A.Ş.	Painting Works	Turkey
Isıpan Otomotiv ve Üst Ekipman Metal ve Makine San. ve Tic. A.Ş.	Weld workshop Onboard equipment	Turkey
Gimkat Araç Üstü Ekipman San. ve Tic. A.Ş.	manufacturing	Turkey

Company does not has any subsidiary whose shares traded on the stock market.

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

A. Basic Standards of Presentation

Declaration of Conformity to TAS

The condensed financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Accounting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676.

In accordance with article 5th of the CMB Accounting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS) and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA").

Financial statements prepared in accordance with International Financial Reporting Standards (IFRS) were authorized for issue on March 06, 2015 by the management. General Assembly have the power to amend the financial statements.

Basis of presentation of the financial statements

The consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Accounting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676.

In order to prepare financial statements in accordance with IFRSs, certain assumptions affecting notes to the financial statements and critical accounting estimations related to assets, liabilities, contingent assets and contingent liabilities are required to be used. Although these estimations are made upon the best afford of the management by interpreting the cyclical circumstances, actual results may differ from the forecasts. Issues that are complex and needs further interpretation, which might have a critical impact on financial statements. There is no change in judgements and critical accounting estimates used in interim condensed consolidated financial statements as of 30 June 2014.

Financial statements , except for the revaluation of financial instruments and investment properties have been prepared on the historical cost basis.

Currency used

The individual financial statements of each Group entity operates in the currency of the primary economic environment (functional currency) are presented. Each entity's financial position and results of operations of the Company, which is the functional currency and presentation currency for the consolidated financial statements, which are expressed in Turkish Lira.

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

Termination of Inflation Accounting Implementation

CMB, with its resolution dated 17 March 2005, announced that all publicly traded entities operates in Turkey was not obliged to apply inflationary accounting as from 1 January 2005. The interim condensed consolidated financial statements have been prepared in accordance within the resolution.

Comparatives and restatement of prior periods' financial statements

In order to allow the determination of financial position and performance of the Group are prepared in the comparative prior period consolidated financial statements of the current period. In order to comply with the presentation of the consolidated financial statements for the period necessary, comparative figures are reclassified.

The reclassifications that are made at the Company's consolidated balance sheet as at 31 December 2013 are as follows:

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND IT'S SUBSIDIARIES**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**A. Basic Standards of Presentation (continued)****Comparatives and restatement of prior periods' financial statements (continued)**

	Reported at 31 December 2013	Impact of CMB changes	Readjusted 31 December 2013
ASSETS			
CURRENT ASSETS	202.128.694	-	202.128.694
Cash and Cash Equivalents	6.227.985	-	6.227.985
Trade Receivables			
- Trade Receivables from Related Parties	3.177.953	-	3.177.953
- Trade Receivables from 3rd Parties	88.374.960	-	88.374.960
Other Receivables			
- Other Receivables from Related Parties	-	-	-
- Other Receivables from 3rd Parties	3.675.427	-	3.675.427
Inventories	82.777.457	-	82.777.457
Prepaid Expenses	10.055.338	-	10.055.338
Current Assets Related with Current Period Tax	669.747	-	669.747
Other Current Assets	7.169.826	-	7.169.826
NON-CURRENT ASSETS	36.525.682	(1.759.039)	34.766.643
Other Receivables			
- Other Receivables from Related Parties	-	-	-
- Other Receivables from 3rd Parties	40.686	-	40.686
Investment Property	6.559.614	-	6.559.614
Tangible Fixed Assets	24.630.173	-	24.630.173
Intangible Fixed Assets	994.612	-	994.612
Goodwill	1.759.039	(1.759.039)	-
Prepaid Expenses	16.785	-	16.785
Deferred Tax Assets	2.524.773	-	2.524.773
TOTAL ASSETS	238.654.376	(1.759.039)	236.895.337

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**A. Basic Standards of Presentation (continued)****Comparatives and restatement of prior periods' financial statements (continued)**

LIABILITIES	Reported at 31 December 2013	Impact of CMB changes	Readjusted 31 December 2013
Short Term Liabilities	165.163.972	-	165.163.972
Short Term Borrowings	104.835.223	-	104.835.223
Trade Payables			
- Due to Related Parties	399.209	-	399.209
- Other Trade Payables	34.125.447	-	34.125.447
Other Payables			
- Due to Related Parties	-	-	-
- Other Payables	551.948	-	551.948
Employee Benefits	1.432.461	-	1.432.461
Deffered Income	23.106.345	-	23.106.345
Short Term Provisions			
-Short Term Provisions of Employee Benefits	443.795	-	443.795
- Other Short-Term Provisions	269.544	-	269.544
Long Term Liabilities	40.868.088	-	40.868.088
Long-term provisions	36.555.642	-	36.555.642
-Long Term Provisions of Employee Benefits	1.747.700	-	1.747.700
Deferred Tax Liability	2.564.746	-	2.564.746
EQUITY CAPITAL	32.622.316	- 1.759.039	30.863.277
EQUITY CAPITAL OF PARENT COMPANY	29.816.696	- 1.759.039	28.057.657
Paid-in Capital	25.000.000	-	25.000.000
Difference from Share Capital Adjustment	-	-	-
Other Comprehensive Income or Expenses not to be reclassified on Profit or Loss			
- Identified Benefit Plans Reclasification Income/Loss	(238.830)	-	(238.830)
- Revaluation and Masurement Income/Loss	4.322.860	-	4.322.860
Restricted Reserves	2.061.453	-	2.061.453
The Merge Effect of Entities subject to Common Control (*)	-	(1.759.039)	(1.759.039)
Retained Earnings	6.883.818	-	6.883.818
Net Profit / (Loss) of The Period	(8.212.605)	-	(8.212.605)
MINORITY SHARES	2.805.620	-	2.805.620
TOTAL LIABILITIES	238.654.376		236.895.337

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND IT'S SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

Comparatives and restatement of prior periods' financial statements (continued)

(*) Company purchased respectively TRY 89.000 and TRY 466.667 nominal valued shares of Isıpan and Profil from the shareholder İsmail Katmerci with the amounts of TRY 89.000 and TRY 4.017.133. The TRY 1.759.039 amount difference between purchased value and net difference of fair valued assets and liabilities deducted from purchase value and reported as "Merge Effect of Common Controlled Entity and Business" item.

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**A. Basic Standards of Presentation (continued)****Comparatives and restatement of prior periods' financial statements (continued)**

	Reported at 31 December 2013	Impact of CMB changes	Readjusted 31 December 2013
<u>CONTINUING OPERATIONS</u>			
Sales	146.424.469	-	146.424.469
Cost of Sales (-)	(111.262.901)	-	(111.262.901)
GROSS PROFIT/(LOSS)	35.161.568	-	35.161.568
General Administrative Expenses (-)	(9.654.548)	-	(9.654.548)
Marketing Expenses (-)	(12.837.710)	-	(12.837.710)
Other Income From Operations	2.864.091	12.609.513	15.473.604
Other Expenses From Operations (-)	(1.637.415)	(5.969.452)	(7.606.867)
OPERATING PROFIT/ (LOSS)	13.895.986	6.640.061	20.536.047
Income from Investing activities	-	1.806.405	1.806.405
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES	13.895.986	8.446.466	22.342.452
Financial Incomes	15.891.677	(14.415.919)	1.475.759
Financial Expenses (-)	(37.737.121)	5.969.452	(31.767.669)
PROFIT/ (LOSS) BEFORE PROVISION FOR TAXES	(7.949.458)	-	(7.949.458)
Tax Income/(Expense) From Operating Activities	26.687	-	26.687
-Tax For Period	(102.601)	-	(102.601)
-Deferred Tax Income/ (Expense)	129.288	-	129.288
NET PROFIT/ (LOSS) FOR THE PERIOD	(7.922.771)	-	(7.922.771)
Distribution of the Profit for the Year:	(7.922.771)	-	(7.922.771)
- Minority Interests	289.834	-	289.834
- Parent Company Shares	(8.212.605)	-	(8.212.605)

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

Comparatives and restatement of prior periods' financial statements (continued)

(*) "Rental Income", TRY 47.835 which was reported as "Other Income from Operating Activities" on previous period financial statements reclassified as "Income from Investing Activities".

(*) "Unrelized Finance Income and Expense", respectively TRY 17.993 and TRY 153.187 which was reported as "Finance Income" and "Finance Expense" on previous period financial statements reclassified as "Other Income from Main Activites" and "Other Expense from Main Activites".

(*) "Late Charge Of Current Account", TRY 1.389.914 which was reported as "Finance Income" on previous period financial statements reclassified as "Other Income from Main Activites".

(*) "Investment Property Appreciation" TRY 1.733.403 which was reported as "Other Expense from Main Activites" on previous period financial statements reclassified as "Income from Investing Activities".

(*) "Income from Sales of Tangible Asset", TRY 12.437 which was reported as "Other Income from Main Activites" on previous period financial statements reclassified as "Income from Investing Activities".

(*) "Bank Interest", TRY 12.731 which was reported as "Finance Income" on previous period financial statements reclassified as "Income from Investing Activities".

(*) "Exchange Difference Income and Expense", respectively TRY 12.995.281 and TRY 5.816.265 which was reported as "Finance Income" and "Finance Expense" on previous period financial statements reclassified as "Other Income from Main Activites" and "Other Expense from Main Activites".

Going Concern

The consolidated financial statements including the accounts of the parent company, its subsidiaries, joint ventures and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Consolidation Principles

The consolidated financial statements include the accounts of the parent company, its subsidiaries on the basis set out in sections below. Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND IT'S SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

Consolidation Principles (continued)

Subsidiaries

Subsidiaries are all entities over which the Group has power to govern the financial and operating policies so as to benefit from its activities. In case of Group has income from company because of it's relation or rights-holder of income also has power to effect income than Group is controlling the company.

Subsidiaries' financial statements from the date control commences until the date that end have been included in the consolidated financial statements. Accounting policies of subsidiaries, if necessary, to ensure compliance with policies agreed by the Group has been changed.

31 Aralık 2014 tarihi itibarıyla konsolidasyona tabi tutulan ortaklıkların doğrudan ve dolaylı iştirak oranları aşağıdaki gibidir.

As of December 31, 2014 direct and indirect participation rate of subsidiaries subject to consolidation are as follows;

<u>Subsidiaries</u>	<u>Main Activity</u>	<u>Functional Currency</u>	<u>Establishment and Operation Place</u>	<u>Shareholding Ratio (%)</u>	
				<u>31.12.2014</u>	<u>31.12.2013</u>
Katmerciler Profil San. ve Tic. A.Ş.	Painting Works	Turkish Liras	Turkey	93,33	93,33
İspan Otomotiv ve Üst Ekipman Metal ve Makine San. ve Tic. A.Ş.	Weld Works	Turkish Liras	Turkey	95,67	95,67
Gimkat Araç Üstü Ekipman San. ve Tic. A.Ş. (*)	Onboard equipment manufacturing	Turkish Liras	Turkey	49,99	49,99

(*) Company has power to assign Gimkat Araç Üstü Ekipman Sanayi ve Ticaret A.Ş.' (Gimkat)'s financial and operational policies therefore Gimkat consolidated with full consolidation method.

Elimination Transactions On the Consolidation

Unrealized Income and Expenses arises from intragroup transactions, intragroup transactions and intragroup balances erases mutually while preparation of consolidated financial statements. Profits and Losses arises from transactions between parent and subsidiaries subject to consolidation offsets as far as parent's share on subsidiary.

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND IT'S SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 31 December 2014 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2014. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at 1 January 2014 are as follows:

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

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

TFRIC Interpretation 21 Levies

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The Interpretation had no significant impact on the financial position or performance of the Company.

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

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

TMS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting (Amendments)

Amendments to IAS 39 Financial Instruments: Recognition and Measurement provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. Annual periods beginnings on after 1 January 2014 shall be applied retrospectively. The amendments had no significant impact on the financial position or performance of the Company.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

The new standards, amendments and interpretations (continued)

TFRS 10 Consolidated Financial Statements (Amended)

TFRS 10 is amended for entities that meet the definition of an investment entity to qualify for the consolidation exception. According to the amendment, financial assets of an investment entity should be measured at fair value under TFRS 9 Financial Instruments Annual periods beginnings on after 1 January 2014 shall be applied retrospectively. The amendments had no significant impact on the financial position or performance of the Group.

Standarts issued but not yet effective and not early adopted:

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim period financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the interim period financial statements and disclosures, after the new standards and interpretations become in effect.

TFRS 9 Financial Instruments – Classification and Measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA

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

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

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. The standard does not have a mandatory effective date, but it is available for application now; a new mandatory effective date will be set when the IASB completes the impairment phase of its project on the accounting for financial instruments. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

The new standards, amendments and interpretations (continued)

Improvements to IFRSs

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs – 2010–2012 Cycle and IFRSs – 2011–2013 Cycle. Other than the amendments that only affect the standards' Basis for Conclusions, the changes are effective as of 1 July 2014. Earlier application is permitted.

Annual Improvementsto IFRSs - 2010–2012 Cycle

IFRS 2 Share-based Payment

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

IFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

IFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

IFRS 13 Fair Value Measurement Decision Requirements

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows: i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the carrying amount equals to the market value. The amendment is effective retrospectively.

UMS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvementsto IFRSs - 2011–2013 Cycle

IFRS 1 First Time Adoption of International Financial Reporting Standards

The amendment clarifies that in its first IFRS financial statements, a first-time adopter is permitted but not required to apply a new or revised IFRS that is not yet mandatory but is available for early application.

IFRS 3 Business combinations

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

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

The new standards, amendments and interpretations (continued)

IFRS 13 Fair Value Measurement

The portfolio exception in IFRS 13 can be applied to the contracts within the context of IAS 39, not just financial assets and financial liabilities. The amendment is effective prospectively.

IMS 40 Investment Property

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively. These amendments did not have an impact on the financial position or performance of the Group.

IFRS 14 Regulatory Deferral Accounts

IASB has started a comprehensive project for Rate Regulated Activities in 2012. As part of the project, IASB published an interim standard to ease the transition to IFRS for rate regulated entities. The standard permits first time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances. The interim standard is effective for financial reporting periods beginning on or after 1 January 2016, although early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Company.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. When contributions are eligible for the practical expedient, a company is permitted (but not required) to recognise them as a reduction of the service cost in the period in which the related service is rendered. The amendment is effective for annual periods beginning on or after 1 July 2014. Early application is permitted. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

B. Changes in Accounting Policies

Changes in accounting policies or accounting errors are applied retrospectively and the financial statements of the previous year are restated.

C. Changes in Accounting Estimates and Errors

Changes in accounting policies or determined accounting errors are applied retroactively and the financial statements of the previous year are adjusted. If changes in estimates are for only one period, changes are applied to the current year but if the changes in estimates are for the following periods, changes are applied both to the current and following years prospectively.

There isnt any mistake need to be changes or adjusted on the financial statements and accounting estimates of the Company

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies

Revenue and Income

Revenue are measured on fair value of amount will be or have been charged. Estimated customer returns, rebates and provisions are deducted from the amount.

Sale of goods

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

- Group all the significant risks and rewards of ownership are transferred to the buyer
- The Group's and the continuing managerial involvement usually associated with ownership and effective control over the goods sold are the lack of
- The amount of revenue can be measured reliably,
- The economic benefits associated with the transaction will flow to the entity being possible, and

Transaction costs incurred or to be incurred in a reliable way of measuring .

Rental Income

The rental income from investment properties, throughout the relevant lease is recognized on a straight-line basis.

Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition involves. The costs of conversion of inventories, such as direct labor costs related to production costs. These costs are also incurred in converting raw materials and finished goods material in a systematic allocation of fixed and variable production overheads that include the amounts.

Net realizable value is the estimated selling price in the ordinary course of business, the estimated costs of completion and the estimated costs necessary to make the sale shall be obtained by deducting total. Stocks in the financial statements, use or sales can not be tracked at a price higher than the amount expected to be achieved as a result.

The net realizable value of inventories is less than cost, inventories are reduced to net realizable value and are recognized as an expense in the income statement in the year when the impairment. That caused inventories to be written down to net realizable value before conditions or evidence of an increase in net realizable value because of changed economic circumstances cases, impairment loss is canceled. The previously recognized impairment loss is limited to the amount of the canceled amount (Note 12).

Company uses "FIFO" method for calculating cost of inventories.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value.

Assets to be used for administrative purposes, or used in the production of goods and services and are in the course of construction are carried at cost, less any recognized impairment loss. Legal fees are included in the cost of the property, plant and equipment. For assets that need considerable time to be ready for sale or use, borrowing costs are capitalized in accordance with the Group's accounting policy. As it is for the other fixed assets, such assets are depreciated when the assets are ready for their intended use.

Cost amounts of property, plant and equipment assets excluding land and construction in progress are subject to amortization by using the straight-line method in accordance with their expected useful life. There is no depreciation allocated for lands due to indefinite useful lives. Expected useful life, residual value and amortisation method are evaluated every year for the probable effects of changes arising in the expectations and are accounted for prospectively (Note 17).

Leased assets are subject to similar amortization procedures, as with the other tangible assets on the shorter of the related leasing period and economic life of the asset.

Revaluation Model

Revalued amount, being the fair value at the date of revaluation subsequent accumulated depreciation and accumulated impairment is determined by subtracting. Balance sheet date, the carrying amount of the revaluations will not differ from the fair value is determined by the way is done at regular intervals.

Tangible fixed assets are stated at revalued amount of land and buildings are reported. The fair value of buildings is determined by independent valuation company licensed by the CMB. Revalued amount, the date of the revaluation at fair value, any subsequent accumulated depreciation and subsequent accumulated impairment losses are through. The corresponding increases in value are reported in equity is revalued.

If the carrying amount of an asset is increased after revaluation, the increase is recognized in other comprehensive income and directly in equity revaluation account under the name of the group are collected. However, a revaluation, the same asset previously associated with the revaluation gain or loss is recognized in income largely reversed reception.

If the carrying amount of an asset is low as a result of revaluation, the decrease is recognized as an expense. However, the decrease in other comprehensive income in the asset revaluation surplus in respect of the extent of any credit balance recognized in scope. Recognized in other comprehensive income and the decrease reduces the amount accumulated in equity under the heading of revaluation surplus (Note 17).

Depreciation of revalued buildings is recognized in the statement of income. Sale or retirement of a revalued property, the remaining balance in the revaluation reserve is transferred directly to retained earnings. No release of off-balance sheet assets, are not transferred from revaluation reserve to retained earnings.

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Cost Method

Tangible fixed assets reported at cost less accumulated depreciation and accumulated impairment losses, on the same basis.

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated.

Land and construction in progress, except for the cost of tangible fixed assets to their estimated useful lives are amortized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year for the possible effects of changes in estimates if a change in estimate being accounted for on a prospective basis.

Disposal of tangible fixed assets of the asset, or a gain or loss arising on the difference between the sales proceeds and the carrying amount of the asset is included in the income statement is determined.

Intangible Fixed Assets

Intangible assets acquired

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for on a prospective basis.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Derecognition of intangible assets

An intangible asset through use or sale of disposed of or when no future economic benefits are expected from the case of statement of financial position (balance sheet) is disabled. An intangible asset statement of financial position (balance sheet) disconnection of the profit or loss, if any, to the disposal of assets is calculated as the difference between the net book value of collections. This difference is related assets statement of financial position (balance sheet) is recognized in profit or loss when taken out.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Investment Property

Investment property, rental income and / or capital appreciation is held in order to obtain the cost of the initial values and are measured at cost, including transaction. Subsequent to initial recognition, investment property, which reflects market conditions at the reporting date are measured at fair value.

Investment properties are sold or become unusable and the sale in the event of any future economic benefit is derecognized. The retirement or disposal of an investment property and the profit / loss is included in the income statement in the period.

Fair Value Method

Group operations after the initial recognition , the fair value method chosen and the fair value of investment property was measured by the method (Note 16).

The fair value of investment property gain or loss arising from the change in profit or loss in the period they occur are included.

Transfers , there is a change in use of the investment property is made . Fair value based on the monitored investment property , the owner, used by real estate class made a transfer , the transfer made after accounting treatment deemed cost at the aforementioned property's use shape change at the dates the fair value is . The owner used by a property's fair value basis to display an investment property if it converts , business , change in use occurred up to the date "Tangible Assets" in the accounting policy applies .

Real estate is located in the Group's own use of tangible fixed assets have been reclassified .

Impairment of Assets

Assets that have an indefinite useful life are not subject to amortization of goodwill. These assets are tested for impairment annually. The carrying value of assets subject to amortization may not be recoverable in the event of a situation or events are reviewed for impairment. If the carrying amount exceeds the recoverable amount of the asset is recognized for the impairment. The recoverable amount is fair value less costs to sell or value in use is the one obtained. For purposes of assessing impairment, assets are grouped at the lowest level of identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Leases

Financial leases

- Group - as a tenant

The Group substantially all the risks and rewards of ownership of tangible assets taken on lease , are classified as finance leases . Financial leases are subject to finance lease at the inception of the lease at the fair value of fixed assets at the lower of the present value basis are included in tangible assets by taking . Arising from lease financing costs over the lease term so as to produce a constant periodic rate is spread over the lease term . In addition, leased fixed assets based on estimated useful lives are amortized through . A reduction in value of fixed assets subject to finance lease impairment provision is recognized if detected . Finance lease liabilities and related interest expense and foreign exchange differences are recognized in profit or loss statement . Lease payments from finance lease liabilities are deducted .

Operating leases

- Group - as a tenant

A significant portion of the risks and rewards of ownership are retained by the lessor that leases , are classified as operating leases . Under operating leases (net of any incentives received from the lessor after) the payments made , straight-line basis over the lease term on the profit or loss is recognized as an expense in the statement .

- Group - as lessor

In an operating lease , the leased assets , property, land and investment properties held , except to the consolidated statement of financial position of tangible assets are classified and the resulting rental income during the leasing period in equal amounts in the consolidated profit or loss reflected in the statement . Straight-line basis over the lease term rental income in the consolidated profit or loss are recognized in the statement . His capacity as lessor if the lease agreements become a party to the main building where the Group operates and other non-group companies of investment property leased as office and warehouse are caused .

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale.

Related Parties

Related parties of the Group's shareholding, contractual rights, the opposite side of the family relationship or otherwise, directly or indirectly, control or significantly influence the team includes a. The accompanying consolidated financial statements of the Group companies are owned by shareholders and the shareholders of which are known to be associated with key management personnel and other companies are defined as related parties.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Related Parties (continued)

Presence of one of the following criteria, are considered related party to the Group:

i) use directly, or indirectly through one or more intermediaries:

- The Group controls, or is controlled by the Group

- Is under common control with the Group (parent, subsidiaries and fellow subsidiaries, including the same);

- Has an interest in the Group that gives it significant influence over, or has joint control over the Group;

ii) the party is an associate of the Group;

iii) the party is a joint venture of the Group is a venturer;

iv) the party is a member of the key management personnel of the Group or its parent;

v) the (i) or (iv) above, any individual is a close family member.

vi) the entity that is controlled, jointly controlled or significantly influenced by, or (iv) or (v) directly or indirectly, any individual referred to in Articles important to have an entity that is entitled to vote, or

vii) the party is an entity that is a related party of the company or for the benefit of employees of the entity must have plans.

Related party transactions between related parties, resources, services or obligations, regardless of whether a price is charged transfer (Note 37).

Financial Instruments

Financial assets

Financial assets at fair value through profit or loss of the ones which are classified as financial assets recognized at fair value and the fair market value of the total price of the acquisition is recognized directly attributable transaction costs. The investment within the timeframe established by the market concerned is under a contract require delivery of the related assets as a result of the purchase or sale of financial assets, are recognized or derecognized on trade date.

"Financial assets at fair value through profit or loss Financial assets", "held to maturity investments", "available-for-sale financial assets" and "loans and receivables". Classification of financial assets depending on the purpose and specifications, is determined at initial recognition.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

The effective interest method

The effective interest method of calculating the amortized cost of a financial asset and of allocating the interest income related to the Respective period. The effective interest rate for the expected life of the financial instrument or, where Appropriate, a shorter period of time, the sum of the estimated cash flow, net present value of the related financial assets.

Financial assets at fair value through profit or loss on financial assets, except calculated by using the effective interest method.

Loans and receivables

Those receivables are financial assets with fixed or determinable payments that are quoted in an active market are classified under loans and receivables. Loans and receivables are measured at amortized cost using effective interest method less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period.

Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in consolidated income statement.

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

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

Cash and cash equivalents

Cash and cash equivalents 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.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial Liabilities

Financial liabilities and equity instruments issued by the Group is classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 9).

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Effects of Changes in Foreign Exchange

The individual financial statements of each Group entity operates in the currency of the primary economic environment (functional currency) are presented . Each company's financial condition and results of operations of the Company , which is the functional currency and the presentation currency for the consolidated financial statements are expressed in TL .

During the preparation of the financial statements of the individual entities , denominated in foreign currencies (currencies other than TL) from the transactions , foreign exchange rates prevailing at the transaction date are recorded at . In the balance sheet foreign currency denominated monetary assets and liabilities using the exchange rates prevailing at the balance sheet date are translated into New Turkish Lira . Followed by the fair value of non-monetary items denominated in foreign currencies which are those recorded at fair value as determined by rates prevailing on the date are retranslated . Measured in terms of historical cost in a foreign currency non-monetary items , are not retranslated .

Exchange differences, except as specified below , are recognized in profit or loss in the period in which they occur :

- Assets under construction for future productive use, which are associated with and on foreign currency borrowings are regarded as an adjustment to interest costs and the cost of such assets are included in the exchange rate differences ,

- Risks arising from foreign currency (providing financial protection against risks related to the accounting policies described below) to provide financial protection against exchange differences arising from the operation ,

In overseas activities of the net investment , forming part accounted in translation reserves and net investment in sales profit or loss associated with the unpaid intention or unlikely overseas operations arising from the monetary receivables and payables arising from exchange rate differences .

Earnings Per Share

Per share earnings / loss amount , profit / loss , from continuing operations per share gain / loss amount , however, from continuing operations profit / loss of the Company's shares in the period time-weighted average share amounts are calculated by dividing .

In Turkey, companies , their shareholders from retained earnings are distributed to the " bonus shares " way can increase . This type of "bonus share " distributions in the computation of earnings per share , are assessed as issued shares . Accordingly, the weighted average number of shares used in these calculations , it comes at retrospective effect to the issuances of shares is taken into consideration .

The calculation of earnings per share , preferred share will require correction or share dilution effect , there is the potential (Note 36).

Events after the Reporting Period

Events after the reporting period , the balance date and the date of approval of the financial statements to be published , in favor or against the Group refers to events that occur . According to perform smoothing , two types of situations can be identified:

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Events after the Reporting Period (continued)

- Events that require adjustment after the reporting period , the balance sheet date of the relevant facts showing there is evidence that the conditions of the situation ,
- Related events that occur after the reporting period showing improvements (non-adjusting events after the reporting period)

The accompanying financial statements of the Group in the reporting period, adjusting subsequent events have been registered and non-adjusting events after the reporting period are shown in the notes (Note 40).

Provisions, Contingent Liabilities and Contingent Assets

Provisions

There is a present legal or constructive obligation as a result of past events, and resources embodying economic benefits to settle the obligation and it is probable that they kept the company is expected to have a safe manner in the event of liability should be recognized in the consolidated financial statements. The provisions of the expenditure required to settle the obligation at the balance sheet date, with the most realistic estimates calculated by the Company's management and are discounted to present value where the effect is material.

Contingent Liabilities

Obligations under this group, within the control of the entity arising from past events, and the presence of one or more uncertain future events on the realization of the non-existence will be confirmed as the assessed liabilities. Contingent liabilities are not included in the consolidated financial statements. Because, to settle the obligation, have the possibility of an outflow of resources embodying economic benefits or the amount of obligation can not be measured with sufficient reliability. Too far from the entity of resources embodying economic benefits likely to come out, unless the notes to the consolidated financial statements show that conditional obligations (Note 23).

Contingent Assets

The Group within the control of the entity arising from past events, and the presence of one or more uncertain events, which will be confirmed by the realization of assets, is considered as a contingent asset. If an inflow of resources embodying economic benefits is not certain contingent assets described in the notes to the consolidated financial statements.

Or all of the economic benefits required to settle a provision are expected to be part of the cases, which shall be collected by third parties, it is virtually certain that reimbursement will be received and the amount of the event can be measured reliably, are recognized and reported as an asset.

Warranties

The provision for warranty costs, to meet the Group's obligations are estimated by management based on the most appropriate expenditures , are recognized on the sale of related products .

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Financial Information Segment Reporting

Reportable segment information required to be disclosed is a business segment or geographical segment . Industrial segments of a particular commodity or service or group of related goods or services , or to provide benefits in terms of risk and different from other parts of the Group are the features section . Geographical segments provide products or services within a particular economic environment the Group's risks and the terms in Xfay operating in other economic environments have different characteristics from the other sections are the sections .

The Group's main activities in Turkey are painting work , welding and onboard vehicle equipment manufacturing in the areas in which financial information for the segmental reporting that performs the operations of the companies restructured by the painting work , welding and vehicle equipment manufacturing under the headings were reported. (Note 5)

Government Grants and Incentives:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.(Note 21).

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight- line basis over the expected lives of the related assets, or alternatively netted off with the cost of related asset.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders' equity. (Note 35).

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Company operate.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

The principal temporary differences arise from the carrying values of property, plant and equipment and available-for-sale-investments and their historical costs, various provisions and unused tax allowances and exemptions.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

D. Summary of Significant Accounting Policies (continued)

Employment termination benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise (Note 25).

Reporting of cash flows

The Group's net assets, financial structure, and the ability to affect the amounts and timing of cash flows, financial statement users to provide information about the cash flow statement holds. Cash flow statement, cash flows from operating, investing and financing activities are classified. Cash flows from operating activities, cash flows from operating activities of the Group. From investing activities Cash flows from investing activities (fixed asset investments and financial investments) and the cash flows. Cash flows related to financing activities, the resources used in financing activities of the Group and repayments. Cash and cash equivalents include cash, bank deposits and investments that are readily convertible into cash at short-term, highly liquid investments with original maturities of three months or less.

Capital and Dividends

Ordinary shares are classified as owner's equity. Dividends books after deducted form accumulated profit.

E. Significant Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Note 9 – Trade receivables

Note 24 – Provisions, contingent assets and liabilities

Note 26 – Provisions for employee benefits

Note 36 – Tax assets and liabilities

3. BUSINESS COMBINATIONS

None (31.12.2013: None).

4. JOINT VENTURES

None (31.12.2013: None).

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5. SEGMENT INFORMATION

Each reportable segment derives its revenues as the types of products and services are as follows;

"On-board equipment production"

Firefighters, environmental tool, vehicle, vehicles for the defense industry and the construction industry is the manufacture and sale of equipment for the aerial.

"Painting Works"

Painting of vehicles and vehicle-mounted equipment is made of craftsmanship.

"Weld Works"

Truck-mounted equipment is made of the source of labor.

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5. SEGMENT INFORMATION (continued)

	Onboard Vehicle Equipment	Isıpan Weld Works	Profil Painting Work	Consolidation Adjustments	Total
31.12.2014					
Net Non-Group Sales	169.794.388	-	-	-	169.794.388
Net In-Group Sales	20.270.985	1.567.661	1.169.254	(23.007.900)	-
Net Sales Total	190.065.373	1.567.661	1.169.254	(23.007.900)	169.794.388
Cost of Sales(-)	(157.829.471)	(981.577)	(854.395)	23.702.433	(135.963.009)
Gross Profit	32.235.903	586.084	314.859	694.533	33.831.379
Marketing, Selling and Distribution Expenses (-)	(10.703.969)	-	-	25.858	(10.678.111)
General Administrations Expense (-)	(8.811.229)	(227.260)	(110.593)	130.821	(9.018.261)
Other Operating Income	15.888.696	59.000	610.084	(1.498.081)	15.059.699
Other Operating Expenses (-)	(10.962.112)	(136)	(175.595)	-	(11.137.843)
Operating Profit/Loss	17.647.289	417.689	638.755	(646.869)	18.056.863
Income From Investment Operation	2.409.298	-	-	36	2.409.334
Expense From Investment Operation (-)	-	-	-	-	-
Financial Income	10.156.022	1.923	35	(234.458)	9.923.522
Financial Expense (-)	(21.373.020)	(1.810)	(12)	429.378	(20.945.464)
PROFIT/ (LOSS) BEFORE PROVISION FOR TAXES	8.839.589	417.802	638.778	(451.914)	9.444.255
Tax Income/(Expense) From Operating Activities					
-Tax Income/(Expenses)	(267.579)	(94.994)	(180.942)	-	(543.515)
-Deferred Tax Income(Expense)	224.104	3.030	46.226	-	273.360
NET PROFIT/LOSS	8.796.114	325.838	504.062	(451.914)	9.174.100
Investment Expenditure					
Tangible Fixed Assets	680.603	-	-	-	680.603
Intangible Fixed Assets	1.914.957	-	-	-	1.914.957
Amortization	738.006	666	61.353		800.025
Depreciation And Amortization	374.345	-	-	(74.401)	299.944
Total Investment Expenditure	2.595.560	-	-	-	2.595.560
Other Information					
- Total Assets	211.841.847	756.482	12.887.392	(13.390.800)	212.094.921
- Total Liabilities	211.841.847	756.482	12.887.392	(13.390.800)	212.094.921

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5. SEGMENT INFORMATION (continued)

	Onboard Vehicle Equipment	Isıpan Weld Works	Profil Painting Work	Consolidation Adjustments	Total
31.12.2013					
Net Non-Group Sales	146.424.469	-	-	-	146.424.469
Net In-Group Sales	30.933.701	1.187.380	1.051.719	(33.172.800)	-
Net Sales Total	177.358.170	1.187.380	1.051.719	(33.172.800)	146.424.469
Cost of Sales(-)	(143.566.635)	(869.178)	(933.268)	34.106.180	(111.262.901)
Gross Profit	33.791.535	318.202	118.451	933.380	35.161.568
Marketing, Selling and Distribution Expenses (-)	(12.863.692)	-	-	25.981	(12.837.710)
General Administrations Expense (-)	(9.588.112)	(183.400)	(162.385)	279.348	(9.654.548)
Other Operating Income	16.799.631	26.371	388.490	(1.740.888)	15.473.605
Other Operating Expenses (-)	(7.613.331)	(5.236)	(159)	11.860	(7.606.866)
Operating Profit/Loss	20.526.032	155.937	344.397	(490.318)	20.536.048
Income From Investment Operation	1.806.405	-	-	-	1.806.405
Expense From Investment Operation (-)	-	-	-	-	-
Financial Income	2.580.644	213	55.172	(1.160.270)	1.475.759
Financial Expense (-)	(33.057.395)	(14.442)	(645)	1.304.813	(31.767.669)
PROFIT/ (LOSS) BEFORE PROVISION FOR TAXES	(8.144.314)	141.708	398.925	(345.776)	(7.949.457)
Tax Income/(Expense) From Operating Activities					
-Tax Income/(Expenses)	-	(276)	(102.325)	-	(102.601)
-Deffered Tax Income(Expense)	104.536	3.875	20.877	-	129.288
NET PROFIT/LOSS	(8.039.778)	145.307	317.477	(345.776)	(7.922.771)
Investment Expenditure					
Tangible Fixed Assets	1.019.823	-	-	-	1.019.823
Intangible Fixed Assets	66.550	-	-	-	66.550
Amortization	688.573	666	100.442	-	789.680
Depreciation And Amortization	243.451	-	-	-	243.451
Total Investment Expenditure	1.086.373	-	-	-	1.086.373
Other Information					
- Total Assets	229.838.449	261.622	10.855.456	(4.060.190)	236.895.337
- Total Liabilities	229.838.449	261.622	10.855.456	(4.060.190)	236.895.337

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6. CASH AND CASH EQUIVALENTS

	31.12.2014	31.12.2013
Cash	19.266	53.238
Bank	6.724.102	6.174.747
- Demand Deposits	6.724.102	6.174.747
TL	807.574	5.112.928
USD	4.700.652	235.399
EURO	1.215.876	826.420
Total	6.743.368	6.227.985

The credit risk analysis of cash and cash equivalents are stated in Note 38.

As at 31.12.2014, TRY 350.148 amount of bank deposit blocked (31.12.2013: None).

7. FINANCIAL INVESTMENTS

None (31.12.2013: None).

8. FINANCIAL BORROWINGS

	31.12.2014	31.12.2013
a) Ban Credits	91.895.348	139.343.724
b) Factoring Debt	-	1.935.601
c) Finance Lease Obligations	1.182.923	111.540
Total	93.078.271	141.390.865

a) Banka Credits

	31.12.2014			
	Average Interest		Average Interest	
	Rate (%)	Short Term	Rate (%)	Long Term
Currency				
TL	9,50-14,25	27.453.485	11,50-14	24.186.732
USD	3,25-4,50	3.447.444	4,20-4,90	6.626.861
EUR	3,10 -4,50	13.669.759	4,50-6	16.511.067
Total		44.570.688		47.324.660

	31.12.2013			
	Average Interest		Average Interest	
	Rate (%)	Short Term	Rate (%)	Long Term
Currency				
TL	5,4-15	22.148.280	9,5-13	2.918.788
USD	3,5-7,25	39.226.393	4,50-5,90	8.737.410
EUR	3,5-6,75	41.413.409	4,40-7,25	24.899.444
Total		102.788.082	-	36.555.642

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8. FINANCIAL BORROWINGS (continued)**a) Banka Credits (continued)**

	<u>31.12.2014</u>	<u>31.12.2013</u>
Payable within 1 year	44.570.688	104.835.223
Payable within 1-2 years	10.285.420	20.750.792
Payable within 2-3 years	15.218.540	2.726.750
Payable within 3-4 years	21.820.700	13.078.100
Total	91.895.348	141.390.865

The fair value of short-and long-term debt, the effect of discounting is immaterial being is equal to book value. As of the reporting date, bank loans secured over EUR 600,000, USD 5.000.000 and TRY 15.6 million –values of buildings (31.12.2013: EUR 2.900.000, USD 5.000.000 and TRY 8.500.000).

b) Factoring Payables:

	<u>31.12.2014</u>	<u>31.12.2013</u>
Currency		
TL	-	1.555.631
USD	-	379.970
EUR	-	-
Total	-	1.935.601

c) Lease Obligations:

Finance lease obligations, acquired through financial leasing plant, machinery and equipment due to the amount payable as of the date of the balance sheet shows the unpaid portion.

- The sum of the minimum lease payments and present value

Net Value	<u>31.12.2014</u>	<u>31.12.2013</u>
Plant, Machinery and Equipment (net)	1.182.923	111.540

- Minimum lease payment total and present value ;

<u>31.12.2014</u>	<u>TL</u>	<u>TL</u>	<u>TL</u>	<u>TL</u>
	Less than 1 year	More than 1 year - less than 5 years	More than 5 years	Total
Amount of minimum lease payments				
-TL denominated finance leases	423.762	867.585	-	1.291.346
Total	423.762	867.585	-	1.291.346
Present value of payments				
-TL denominated finance leases	377.878	805.045	-	1.182.923
Total	377.878	805.045	-	1.182.923

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8. FINANCIAL BORROWINGS (continued)**c) Lease Obligations (continued):**

<u>31.12.2013</u>	<u>TL</u>	<u>TL</u>	<u>TL</u>	<u>TL</u>
	Less than 1 year	More than 1 year - less than 5 years	More than 5 years	Total
Amount of minimum lease payments				
-TL denominated finance leases	114.464	-	-	114.464
Total	114.464	-	-	114.464
Present value of payments				
-TL denominated finance leases	111.540	-	-	111.540
Total	111.540	-	-	111.540

Leasing, related with purchasing of machinery and fixtures whose rental period of 2 years. Company does not have option to buy those machinery and fixtures. The Company's obligations under finance leases, the lessor of the leased asset is secured by property right on.

Convention relating to the leasing transactions on interest rates are fixed for the entire rental period. Contract average effective interest rate is about 5% annually.

9. TRADE RECEIVABLES/ PAYABLES**a) Trade Receivables:**

At balance sheet date, the Group's trade receivables are as follows:

Short Term Trade Receivables	<u>31.12.2014</u>	<u>31.12.2013</u>
Customers	53.130.039	84.126.437
Notes Receivables ve Postdated Check	9.145.117	4.453.133
Less: Uneraned Finance Income	(106.811)	(204.610)
Doubtful Trade Receivables (*)	1.149.127	2.222.507
Less: Provision for Doubtful Trade Receivables	(1.149.127)	(2.222.507)
Sub Total	62.168.345	88.374.960
-Related Parties (Not 37)	1.330.139	3.177.953
Total	63.498.484	91.552.913

Customers, Notes Receivables ve Postdated Check maturity details are as follows:

Customers, Receivables ve Postdated Check	<u>31.12.2014</u>	<u>31.12.2013</u>
Maturity between 1-3 Months	39.556.790	53.147.741
Maturity between 3-6 Months	20.537.754	25.234.156
Maturity between 6-9 Months	2.180.612	10.197.673
Total	62.275.156	88.579.570

As of 31.12.2014, the weighted average of interest rate respectively 8,48 % and 0,32 % and 0,11 % used to calculate unearned finance income for short-term trade receivables in term of TRY, USD and EUR. (2013: TRY 8,85 %, Usd 0,24 %) and weighted average maturity is 167 days.

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9. TRADE RECEIVABLES/ PAYABLES (continued)

As of 31 December 2014, TRY 1.149.127 (2013: TRY 2.222.507) amount of trade receivables are doubtful receivables. TRY 562.783 (2013: 1.360.901TRY) provision made for the period between 01 January-31 December 2014. Doubtful receivables consist of uncollected amount of sales.

(*) Group's Doubtful Trade Receivables details are as follows;

Doubtful Trade Receivables	31.12.2014	31.12.2013
Opening	2.222.507	1.062.199
Period Expense	562.783	1.360.901
Less: Cancelled within the period	(1.636.163)	(200.593)
Closing	1.149.127	2.222.507

Long Term Trade Receivables

None (31.12.2013: None).

b) Trade Payables:

At balance sheet date, the Group's trade payables are as follows:

Short Term Trade Payables	31.12.2014	31.12.2013
Buyers (*)	12.062.182	16.481.324
Notes Payables (*)	17.602.964	15.033.334
Less: Unearned Finance Expense	(225.432)	(193.105)
Other Trade Payables	6.750.533	2.803.894
Sub Total	36.190.247	34.125.447
-Trade Payables to Related Parties(Not 37)	85.507	399.209
Total	36.275.754	34.524.656

(*) Buyers and Notes Payables details are as follows:

Buyers and Notes Payables	31.12.2014	31.12.2013
Maturity between 0-6 Months	24.602.964	21.790.677
Maturity between 6-9 Months	5.062.182	9.723.981
Total	29.665.146	31.514.658

As of 31.12.2014, the weighted average of interest rate % 8,48, %0,32 and %0,11 used to calculate unearned finance expense for short-term trade payables in term of TRY,USD and EUR and weighted average maturity is 216 days.

Long Term Trade Payables

None. (31.12.2013: None).

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10. OTHER RECEIVABLES AND PAYABLES

Short Term Other Payables	31.12.2014	31.12.2013
Due from Personnel	270	548
Deposits and Guarantees	2.310	85
Receivables from Tax Office	4.580.032	3.660.287
Goods in Transit	389.060	14.507
Blocked Receivables from Eximbank (*)	322.233	-
Other Miscellaneous Receivables	11.718	-
Total	5.305.623	3.675.427

(*) The amount consist of Eximbank loans and would be collected accordingly with closing of loans.

Long- Term Other Payables	31.12.2014	31.12.2013
Deposits and Guarantees	29.696	40.686
Total	29.696	40.686

Short- Term Other Payables	31.12.2014	31.12.2013
Taxes and Funds Payable	1.519.187	26.562
Other Miscellaneous Payables	13.513	525.386
Total	1.532.700	551.948

Long Term Other Payables

None. (31.12.2013: None).

11. DERIVATIVE FINANCIAL INSTRUMENTS

None. (31.12.2013: None).

12. INVENTORIES

	31.12.2014	31.12.2013
Raw Materials	52.439.262	56.963.932
Semi-Manufactured	17.494.843	12.347.402
Finished Goods	7.643.745	1.517.420
Merchandise	31.331	11.145.927
Other Inventories	361.447	811.905
Provision for Inventories	(5.255)	(9.129)
Total	77.965.373	82.777.457

Group's net realisable value of inventories under cost value is TRY 5.255 as at balance sheet date. (31.12.2013: TRY 9.129).As at balance sheet date, TRY 9.129 provision for inventories cancelled.

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12. INVENTORIES (continued)

<u>Provision for Impairment of Inventories</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Opening Balance	9.129	-
Additional Provisin	5.255	9.129
Cancelled Provision (-)	(9.129)	-
Closing Balance	5.255	9.129

Group does not has any pledged inventory in return for loans as at December 31,2014. (31.12.2013: None).

13. PREPAID EXPENSES AND DEFFERED INCOME

<u>Short Term Prepaid Expenses</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Advanves Given for Inventories	8.778.702	9.965.984
Prepaid Expenses for Future Months	610.537	89.354
Total	9.389.239	10.055.338

<u>Long Term Prepaid Expenses</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Prepaid Expenses for Future Years	3.714	16.785
Total	3.714	16.785

<u>Short Term Deffered Income</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Deffered Income for Future Months	29.697.655	23.106.345
Total	29.697.655	23.106.345

Long Term Deferred Income

None. (31.12.2013: None).

14. CONSTRUCTION AGREEMENTS

None. (31.12.2013: None).

15. INVESTMENTS ACCORDING TO EQUITY METHOD

None. (31.12.2013: None).

16. INVESTMENT PROPERTIES

	<u>01.01.2014</u>				<u>31.12.2014</u>
<u>Fair Value</u>	<u>Opening</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Appreciation</u>	<u>Closing</u>
Lands	6.236.966	-	-	2.143.652	8.380.618
Buildings	322.648	-	-	46.691	369.339
Investment Propert	6.559.614	-	-	2.190.343	8.749.957

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16. INVESTMENT PROPERTIES (continued)

	<u>01.01.2013</u>				<u>31.12.2013</u>
Fair Value	<u>Opening</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Appreciation</u>	<u>Closing</u>
Lands	4.009.961	(630.000)	1.347.352	1.509.653	6.236.966
Buildings	1.446.250	-	(1.123.602)	-	322.648
Investment Propert	5.456.211	(630.000)	223.750	1.509.653	6.559.614

Group valued land and building located in Gaziemir / İzmir and land located in Güzelbahçe / İzmir and lands located in Ataşehir /İstanbul to independent expertise company Ar TSKB Gayrimenkul Değerleme A.Ş. (CMB licenced).

According to 30 June 2014 dated expertise report, bulding and lands located in Gaziemir/ İzmir total values set as TRY 4.580.000, lands located in Güzelbahçe / İzmir total values set as TRY 512.000 and lands located in Ataşehir /İstanbul total values set as TRY 3.657.957. Properties values calculated according to coefficient comparison, cost, income comparison and direct capitilazition methods.

Company does not has any liabilities arise from building, developing and maintenance agreements for Investment properties as of balance sheet date.

Group earned TRY 56.206 rental income from investment properties. (31.12.2013: TRY 28.135). There is TRY 15.600.000 mortgage on investment properties.

There is TRY 1.800.000 insurance coverage on investment properties (31.12.2013: None).

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17. PROPERTY, PLANT AND EQUIPMENT

								31.12.2014
<u>Acquisition Cost</u>	<u>Land and Parcels</u>	<u>Underground and Overland Plants</u>	<u>Buildings</u>	<u>Plants Machinery and Equipment</u>	<u>Vehicles</u>	<u>Fixtures</u>	<u>Ongoing Investments</u>	<u>Total</u>
Opening Balance	13.252.000	640.000	7.119.001	3.745.094	1.348.969	1.248.575	548.249	27.901.888
Purchases	-	-	32.500	184.593	194.406	114.462	154.642	680.603
Disposals	-	-	-	(40.000)	(579.226)	-	(238.467)	(857.693)
Valuation	1.735.200	130.000	1.239.150	-	-	-	-	3.104.350
Consolidation Effect	-	-	-	(6.600)	-	-	-	(6.600)
Adjustment	-	-	(1)	-	(1)	-	1	(1)
Transfers from Ongoing Investments	-	-	1.650	236.817	-	-	-	238.467
Closing Balance	14.987.200	770.000	8.392.300	4.119.904	964.149	1.363.037	464.425	31.061.015
<u>Accumulated Depreciation and Impairment</u>								
Opening Balance	-	(13.685)	(108.158)	(1.919.766)	(469.544)	(760.562)	-	(3.271.715)
Period Expense	-	(16.943)	(117.438)	(312.958)	(172.572)	(180.114)	-	(800.026)
Adjustment	-	13.685	108.158	(3.214)	-	20.704	-	139.333
Disposals	-	-	-	34.000	276.424	-	-	310.424
Closing Balance	-	(16.943)	(117.438)	(2.201.939)	(365.692)	(919.972)	-	(3.621.984)
Tangible Fixed Assets, net	14.987.200	753.057	8.274.862	1.917.965	598.456	443.065	464.425	27.439.031

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

								31.12.2013
<u>Acquisition Cost</u>	<u>Land and Parcels</u>	<u>Underground and Overland Plants</u>	<u>Buildings</u>	<u>Plants Machinery and Equipment</u>	<u>Vehicles</u>	<u>Fixtures</u>	<u>Ongoing Investments</u>	<u>Total</u>
Opening Balance	6.310.400	471.079	10.109.544	3.293.103	1.379.745	1.033.859	172.606	22.770.336
Purchases	-	-	-	310.491	118.973	214.716	375.643	1.019.823
Disposals	-	-	-	-	(146.359)	-	-	(146.359)
Valuation	6.941.600	168.921	(2.990.543)	-	-	-	-	4.119.978
Adjustment	-	-	-	141.500	(3.390)	-	-	138.110
Valuation	13.252.000	640.000	7.119.001	3.745.094	1.348.969	1.248.575	548.249	27.901.888
<u>Accumulated Depreciation and Impairment</u>								
Opening Balance	-	(33.112)	(402.506)	(1.659.393)	(331.562)	(572.684)	-	(2.999.257)
Period Expense	-	(13.685)	(145.605)	(250.450)	(212.767)	(167.174)	-	(789.680)
Adjustment	-	33.112	439.952	(9.923)	5.217	(20.704)	-	447.655
Disposals	-	-	-	-	69.568	-	-	69.568
Closing Balance	-	(13.685)	(108.158)	(1.919.766)	(469.544)	(760.562)	-	(3.271.715)
Tangible Fixed Assets, net	13.252.000	626.315	7.010.843	1.825.328	879.425	488.013	548.249	24.630.173

Group valued Factory land and building located in Çiğli / İzmir and to independent expertise company Ar TSKB Gayrimenkul Değerleme A.Ş. (CMB licenced).

According to 30 June 2014 dated expertise report, Factory bulding and lands located in Çiğli / İzmir total values set as TRY 24.117.000. Properties values calculated according to coefficient comparison, cost, income comparison and direct capitilazition methods. There is USD 5.000.000 and EUR 600.000 mortgage over Tangible Fixed Assets.

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

Useful lives of tangible assets are as follows:

Economic Life	Time (Year)
Underground and Overland Plants	8
Buildings	50
Plants Machinery and Equipment	2-10
Plants Machinery and Equipment (Leasing)	4-10
Vehicles	5
Fixtures	2-10

The amortization cost of tangible fixed assets is TRY 800.026 (31.12.2013: 789.680 TRY).The TRY 409.533 (31.12.2013: TRY 379.011) amount amortization expense has been charged to the cost of sales (Note 28), TRY 52.395 (31.12.2012: TRY 52.395) to marketing expenses(Note 29) and TRY 338.097 (31.12.2013: TRY352.662) to general administrative expenses (Note 29).

As at 31.12.2014, There is USD 5.000.000, EUR 600.000 and TRY 15.600.000 mortgage over Tangible Fixed Assets. (31.12.2013: EUR 2.600.000, USD 5.000.000 and TRY 8.500.000 mortgage , TRY 120.000 pledge) TRY There is TRY 8.100.000 insurance coverage. (31.12.2013: TRY 6.100.000)

18. INTANGIBLE FIXED ASSETS

				31.12.2014
	<u>Rights</u>	<u>Leashold Improvements</u>	<u>Other Intangible Fixed Assets</u>	<u>Total</u>
Acquisition Cost				
Readjusted 1 January 2014	536.281	2.400	949.722	1.488.403
Purchases	166.361	76.200	1.672.396	1.914.957
Consolidation Effect	-	(78.600)	-	(78.600)
Closing Balance	702.642	-	2.622.118	3.324.760
Accumulated Depreciation				
Readjusted 1 January 2014	(311.054)	(13.432)	(169.305)	(493.791)
Period Expense	(139.705)	-	(160.239)	(299.944)
Consolidation Effect	-	87.834	-	87.834
Adjustment	(17.490)	(74.402)	-	(91.892)
Closing Balance	(468.249)	-	(329.544)	(797.793)
Intangible Fixed Assets, net	234.393	-	2.292.574	2.526.967

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18. INTANGIBLE FIXED ASSETS (continued)

				31.12.2013
	<u>Rights</u>	<u>Leashold</u> <u>Improvements</u>	<u>Other Intangible</u> <u>Fixed Assets</u>	<u>Total</u>
<u>Acquisition Cost</u>				
Readjusted 1 January 2013	507.110	120.275	949.722	1.577.107
Purchases	64.150	2.400	-	66.550
Consolidation Effect	-	(120.275)	-	(120.275)
Disposals	(34.979)	-	-	(34.979)
Closing Balance	536.281	2.400	949.722	1.488.403
<u>Accumulated Depreciation</u>				
Readjusted 1 January 2013	(209.913)	(3.613)	(61.841)	(275.367)
Period Expense	(116.410)	(13.433)	(113.608)	(243.451)
Consolidation Effect	15.269	3.614	6.144	25.027
Closing Balance	(311.054)	(13.432)	(169.305)	(493.791)
Intangible Fixed Assets, net	225.227	(11.032)	780.417	994.612

Intangible assets consist of computer software and user licenses.

The depreciation cost of intangible fixed assets is TRY 299.944 (31.12.2013: TRY 243.451). The TRY 205.640 (31.12.2013: TRY 104.144) amount amortization expense has been charged to the cost of sales (Note 28), TRY 3.631 (31.12.2012: TRY 1.025) to marketing expenses (Note 29) and TRY 90.673 (31.12.2013: TRY 102.282) to general administrative expenses (Note 29).

Depreciation terms of tangible assets are as follows:

	Economic Life
Rights	3 years
Other Intangible Fixed Assets	3 years

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19. RENTAL OPERATIONS

Operational Lease

Leasee Company

Lease Agreements :

Group has 3 rental agreement related with Ankara and İzmir branch office and storage buildings. Also there are 18 vehicle rent agreements.

<u>Payments booked as expenses</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Minimum Rental Payments	487.534	1.434.398
Conditional Rental Payments	-	-
Collected Payments from Secondary Lease	-	-

Lessor Group

The operating leases between the period 2010 and 2014 are related with vehicles, warehouse and office leasing. If Company decide to renew operating leases than agreements would be revized according to market conditions. Company does not has the right to purchase rental assets at the end of lease term.

As of 31.12.2014, the Group earned TRY 28.135 (31.12.2012: TRY 28.815) rental income from operating leases.

20. IMPAIRMENT OF ASSETS

	<u>31.12.2014</u>	<u>31.12.2013</u>
Provision for Doubtful Trade Receivables	1.149.127	2.222.507
Provision for Inventory Impairment	5.255	9.129
	<u>1.154.382</u>	<u>2.231.636</u>

21. GOVERNMENT PROMOTIONS

Incentives received by the Group has been recognized under other income, are as follows:

Group get benefit from SSI employer immunity TRY 393.206 within the scope of 29.05.2013 dated and 6486 numbered Security Premium Incentive Regulation (31.12.2013: TRY 587.905).

Tübitak declared with 19.06.2013 dated and 26890849/162.01.01/116162 numbered statement to support our Project regarding 8*8 Airport Intervention and Rescue vehicle and TRY 108.111 grant has been transferred to our bank account (TRY 31.12.2013: 35.733). This amount included to other income and profit account in consolidated income statement.

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22. BORROWING COST

None. (31.12.2013: None).

23. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

Short Term Payable Provisions	31.12.2014	31.12.2013
Warranty Expense Provision	337.337	269.544
Court Expense Provision	96.529	-
Total	433.866	269.544

Contingent Assets

As at 31 December 2014, There are 4 courtcases against to the Group. The total amount of courtcases is TRY 96.076 (31 December 2013: TRY 2.400).

CPM's given by the Company (Collaterals, Pledges, Mortgages)

Collaterals, Pledges, Mortgages position table as of 31 December 2014 ve 31 December 2013 as below;

				31.12.2014
<u>CPM's given by the Company (Collaterals, Pledges, Mortgages)</u>	<u>TRY Equivalent</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
1. Total amount of CPM provided by the company on behalf of itself	74.166.167	14.352.935	7.157.797	20.693.148
2. Total amount of CPM provided on behalf of the consolidated subsidiaries accounted under full consolidation method	-	-	-	-
3. Provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-
4. Total amount of other CPM's				
- Total amount of CPM's given on behalf of majority shareholder	-	-	-	-
- Total amount of CPM's given on behalf of other Company companies which are not in scope of 2 and 3	-	-	-	-
- Total amount of CPM's given on behalf of third parties which are not in scope of 3	-	-	-	-
Total	74.166.167	14.352.935	7.157.797	20.693.148

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23. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (continued)

CPM's given by the Company (Collaterals, Pledges, Mortgages) (continued)

<u>CPM's given by the Company (Collaterals, Pledges, Mortgages)</u>				<u>31.12.2013</u>
	<u>TRY</u> <u>Equivalent</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
1. Total amount of CPM provided by the company on behalf of itself	50.973.035	8.707.600	4.187.839	20.090.815
2. Total amount of CPM provided on behalf of the consolidated subsidiaries accounted under full consolidation method	-	-	-	-
3. Provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-
4. Total amount of other CPM's				
- Total amount of CPM's given on behalf of majority shareholder	-	-	-	-
- Total amount of CPM's given on behalf of other Company companies which are not in scope of 2 and 3	-	-	-	-
- Total amount of CPM's given on behalf of third parties which are not in scope of 3	-	-	-	-
Total	50.973.035	8.707.600	4.187.839	20.090.815

Collaterals, Pledges, Mortgages position table as of 31 December 2014 and 31 December 2013 as below;

<u>CPM's given by the Company (Collaterals, Pledges, Mortgages)</u>	<u>31.12.2014</u>			
	<u>TRY</u> <u>Equivalent</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Collaterals	45.279.247	9.352.935	6.557.797	5.093.148
Pledges	0	-	-	-
Mortgages	28.886.920	5.000.000	600.000	15.600.000
Total	74.166.167	14.352.935	7.157.797	20.693.148

<u>CPM's given by the Company (Collaterals, Pledges, Mortgages)</u>	<u>31.12.2013</u>			
	<u>TRY</u> <u>Equivalent</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Collaterals				
Pledges	24.046.635	3.707.600	1.587.839	11.470.815
Mortgages	120.000	-	-	120.000
Total	26.806.400	5.000.000	2.600.000	8.500.000
	50.973.035	8.707.600	4.187.839	20.090.815

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23. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (continued)**CPM's given by the Company (Collaterals, Pledges, Mortgages) (continued)**

The assets pledged as collateral:

The following specified assets with book value of the Group's debt (Note 8) have been pledged for guarantee.

<u>Assets pledged for guarantee</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Vehicles	0	120.000

24. COMMITMENTS

None (31.12.2013: None).

25. EMPLOYEE BENEFITS

<u>Provisions for Short-Term Employee Benefits</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Unused Leave Provision	593.583	443.795
Total	593.583	443.795

<u>Provisions for Long-Term Employee Benefits</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Severance Pay Provision	2.246.329	1.747.700
Total	2.246.329	1.747.700

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

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 ("Employee Benefits") stipulates the development of Company's liabilities by using actuarial valuation methods under defined benefit plans.

As at balance sheet date provisions calculated according to assumption % 5 expected salary increasing rate and % 8,49 discount rate and retiring assumption as follows.

	<u>31.12.2014</u>	<u>31.12.2013</u>
Annual Discount Rate (%)	3,32	3,78
Retiring Assumption (%)	95	95

Main assumption is that maximum liability amount increases parallel to inflation rate for every service year. Therefore, discount rate used is the expected real rate adjusted for the future inflationary effects. Because of this, provisions in the accompanying financial statements as of December, 31 2014 are calculated by estimating present value of probable liabilities arising due to retirement of employees.

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25. EMPLOYEE BENEFITS (continued)

3.438 TRY(31.12.2012: 3.254 TRY) maximum severance amount used on calculation of retirement pay provision with effect from 01 January 2014.

Annual movements of provision for severance payments are as follows :

	1 January - 31 December 2014	1 January - 31 December 2013
Provision as of 1st January	1.747.700	1.438.899
Service Cost	611.589	548.079
Interest Cost	110.658	91.713
Severance Pay Cancelled	(364.470)	(292.513)
Defined Benefit Plans Remeasurement Gain / Loss (*)	140.852	(38.478)
Total Provisions as of Period End	2.246.329	1.747.700

(*) As of December 31, 2014, TRY 140.852 (2013: TRY 38.478) Actuarial Income/Loss booked in statement of comprehensive income.

The total expense has been charged to the general administrative expenses.

26. OTHER ASSETS AND LIABILITIES

<u>Other Currents Assets</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Deferred VAT	6.761.101	7.035.154
Work Advances	132.690	134.672
Total	6.893.791	7.169.826

Other Non-Current Assets

None. (31.12.2013 None.)

Other Short-Term Liabilities

None. (31.12.2013 None.)

Other Long-Term Liabilities

None. (31.12.2013 None.)

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27. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS**a) Capital**

Company's capital structure as of 31 December 2014 and 31 December 2013 as follows;

	31.12.2014		31.12.2013	
	Share Rate	Share Amount	Share Rate	Share Amount
Shareholders	(%)	TRY	(%)	TRY
İsmail Katmerci	46,11	11.528.333	58,11	14.528.333
Havva Katmerci	4,40	1.100.000	4,40	1.100.000
Mehmet Katmerci	4,40	1.100.000	4,40	1.100.000
Ayşenur Çobanoğlu	4,40	1.100.000	4,40	1.100.000
Furkan Katmerci	4,40	1.100.000	4,40	1.100.000
Public Part	36,29	9.071.667	24,29	6.071.667
Capital	100,00	25.000.000	100,00	25.000.000
Unpaid Capital (-)		-		-
Paid-in Capital		25.000.000		25.000.000

(*) The public part of the capital are trading in Istanbul Stock Exchange, Inc. (BIST).

Company's paid capital is TRY 25.000.000. (31.12.2013: TRY 25.000.000) Capital consist of 25.000.000 registered shares. Each shares nominal value is 1 TRY. 2.000.000 pcs. of shares nominative A Group, 23.000.000 pcs. of shares nominative B Group shares.

A group shares are privileged and 1.600.000 pcs. own by İsmail Katmerci, 100.000 pcs. own by Havva Katmerci, 100.000 pcs own by Mehmet Katmerci, 100.000 pcs own by Ayşenur Çobanoğlu and 100.000 pcs own by Furkan Katmerci. Privileged shares gives right to owner as mantioned below;

Company manages by the board of management consist of 5 people chosen by general assembly from the A group shareholders accordingly with Turkish Commercial Code.

b) Re-accured Shares

As at 27.01.2014, Company Management make repurchase of own shares according to 27.12.2013 dated decision and details are as below. As at 27.01.2014, the decision approved by board decision.

Date	Type	Nominal Amount of Shares (TRY)	Price (TRY/Pcs.)	Amount (TRY)	Nominal Amount of Shares before Transaction (TRY)	Amount of Shares before Transaction part in Capital (%)	Nominal Amount of Shares after Transaction (TRY)	Amount of Shares after Transaction part in Capital (%)
27.01.2014	Purchase	3.252	2,40	7.805	0	0	3.252	0,00
27.01.2014	Purchase	200	2,41	482	3.252	0	3.452	0,00
27.01.2014	Purchase	2.758	2,42	6.674	3.452	0	6.210	0,00
27.01.2014	Purchase	2.494	2,43	6.060	6.210	0	8.704	0,00
27.01.2014	Purchase	6.940	2,44	16.934	8.704	0	15.644	0,00
27.01.2014	Purchase	356	2,45	872	15.644	0	16.000	0,00

Total 16.000 38.827

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27. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (continued)

<u>c) Revaluation and Remeasurement Gain / (Losses)</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Defined Benefit Plans Remeasurement Gain / (Losses)	7.309.143	4.322.860
Total	7.309.143	4.322.860
<u>Tangible Assets Revaluation and Remeasurement Gain / (Losses)</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Opening Balance	4.322.860	-
Increase from Tangible Assets Revaluation	3.147.593	4.556.519
Deferred Tax Liability from Revaluation	(161.310)	(233.659)
Closing Balance	7.309.143	4.322.860
<u>d) Other Cumulative Comprehensive Income / Expense not to be Reclassified in Profit or Loss</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Defined Benefits Plans Remeasurement Gain / Loss	(309.930)	(238.830)
Total	(309.930)	(238.830)
<u>e) Restricted Reserves Outgoing from Profit</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Legal Reserves	2.108.305	2.061.453
Total	2.108.305	2.061.453
<u>f) Retained Profit / (Loss)</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Retained Profit / (Loss)	(1.375.639)	6.883.818
Total	(1.375.639)	6.883.818
<u>g) Minority Shares</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Balance at 1 January	2.805.620	1.378.579
Additions	448.462	1.137.207
Minority Profit / (Loss) Share	(137.584)	289.834
Minority Shares	3.116.498	2.805.620
<u>h) Effect of Common Controlled Entities or Enterprises Merges</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Effect of Common Controlled Entities or Enterprises Merges (*)	(1.759.039)	(1.759.039)
Total	(1.759.039)	(1.759.039)

(*) Company purchased respectively TRY 89.000 and TRY 466.667 nominal valued shares of Isipan and Profil from the shareholder İsmail Katmerci with the amounts of TRY 89.000 and TRY 4.017.133. The TRY 1.759.039 amount difference between purchased value and net difference of fair valued assets and liabilities deducted from purchase value and reported as "Merge Effect of Common Controlled Entity and Business" item.

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27. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (continued)

ı) Profit Distribution

Publicly held companies , the CMB's profit distribution came into force from the date of February 1, 2014 II- 1.19 Dividend accordance with the notification.

Partnerships, profits will be determined by the General Assembly in accordance with the dividend distribution policy and in accordance with the provisions of the relevant legislation by the General Assembly distributes . Comes within the scope of the notification a minimum distribution rate has not been determined . Companies based in contract or in the manner specified in the dividend distribution policy will pay dividends . In addition, dividends may be paid in installments of equal or different, consistent and interim financial statements of the profits in advance may distribute dividends in cash .

TCC based on separation of reserves required by the articles of association or dividend distribution policy for the shareholders determine dividend allottees other reserves to allocate to the next year to transfer profit and dividend shareholders , management board members subsidiaries to their employees and shareholders, persons other than the profit share to be distributed could not be given , as determined for the shareholders in cash dividends are paid on these shares may not be distributed to persons on the card .

Board of Directors revized profit distribution policy which was formed 25.02.2011 dated and 2011/12 numbered decision with 29.04.2014 dated and 2014/13 numbered Board Decision taken according to CMB Law no.6362 Announced at 23 January 2014 and II.19.1 numbered annunciation.The new decision accepted by shareholders as 30.05.2014 dated ordinary general meeting.

28. SALES AND COST OF SALES

Sales (net)	01.01-31.12.2014	01.01-31.12.2013
Domestic Sales	59.595.293	48.382.588
- Finished Good Sales	59.595.293	48.382.588
Overseas Sales	109.814.601	97.570.144
Other Sales	384.494	587.906
- Other Income	384.494	587.906
Income Total	169.794.388	146.540.638
Sales Returns (-)	-	(116.169)
Sales Income, (net)	169.794.388	146.424.469

Cost of Sales (-)	01.01-31.12.2014	01.01-31.12.2013
-Cost of Services Sold	1.581.639	1.778.124
-Severance Pay Provision	511.325	397.722
-Cost of Goods Sold	97.926.249	74.270.692
-Cost of Merchandise Sold	34.564.514	33.989.757
-Cost of Other Sales	1.379.282	826.606
Cost of Sales	135.963.009	111.262.901
Gross Profit / (Sales)	33.831.379	35.161.568

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29. GENERAL ADMINISTRATIVE EXPENSE, MARKETING EXPENSE AND RESEARCH AND DEVELOPMENT EXPENSES

	<u>01.01.-31.12.2014</u>	<u>01.01.-31.12.2013</u>
General Administrative Expense (-)	9.018.261	9.654.548
Marketing Expenses (-)	10.678.111	12.837.710
Total	19.696.372	22.492.258

<u>General and Administrative Expenses</u>	<u>01.01.-31.12.2014</u>	<u>01.01.-31.12.2013</u>
Contribution Expense	54.171	56.602
Depreciation Expenses	428.770	721.020
Donations and Grants	-	48.950
Maintenance Expenses	28.403	40.214
IT Expense	135.019	91.604
Fine and Lead Time	101.102	19.664
Courtcase Execution and Notary Expense	367.356	201.803
Services Rendered from 3rd Parties	74.253	260.643
Electricity, Water and Heating Expenses	91.424	108.956
Communication Expense	62.652	31.361
Advertising Expenses	26.067	26.013
Stationery Expenses	29.389	26.236
Rent Expenses	197.294	120.355
Consulting Expenses	507.281	382.265
Personnel Expenses	4.280.030	4.028.698
Travelling Expense	138.643	249.194
Insurance Expense	40.855	54.540
Taxes, Duties and Fees Expenses	125.264	926.637
Other Expenses	2.330.287	2.259.793
Total	9.018.261	9.654.548

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29. GENERAL ADMINISTRATIVE EXPENSE, MARKETING EXPENSE AND RESEARCH AND DEVELOPMENT EXPENSES (continued)

Marketing Expenses	01.01.-31.12.2014	01.01.-31.12.2013
Contribution Expense	24.651	20.412
Depreciation Expenses	56.026	58.482
Maintenance Expenses	25.229	31.687
Courtcase Execution and Notary Expense	196.399	221.220
Services Rendered from 3rd Parties	108.068	182.593
Electricity, Water and Heating Expenses	168.492	200.783
Communication Expense	79.198	152.062
Advertising Expenses	23.823	214.529
Exporting Expense	1.830.641	4.392.128
Export Commission	2.391.125	2.830.696
Stationery Expenses	6.672	24.123
Rent Expenses	301.752	186.199
Transportation Expense	185.583	267.986
Personnel Expenses	2.447.736	2.326.947
Travelling Expense	470.268	493.121
Insurance Expense	12.849	10.201
Taxes, Duties and Fees Expenses	365.107	49.637
Domestic Sales, Service, Commission	471.738	618.250
Other Expenses	1.512.755	556.654
Total	10.678.111	12.837.710

30. EXPENSES BY NATURE

Amortization Expense	01.01-31.12.2014	01.01-31.12.2013
General Production Expenses	353.989	288.361
Service Cost	55.545	90.650
Marketing Expenses	52.395	58.007
General and Administrative Expenses	338.097	352.662
Total	800.026	789.680
Depreciation Expense	01.01-31.12.2014	01.01-31.12.2013
General Production Expenses	205.640	140.144
Marketing Expenses	3.631	1.025
General and Administrative Expenses	90.673	102.282
Total	299.944	243.451

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30. EXPENSES BY NATURE (continued)

Personnel Expenses	01.01-31.12.2014	01.01-31.12.2013
Personnel Expenses	21.768.612	19.948.464
Severance Pay Expense	722.247	639.792
Leave Provision	149.788	116.548
Total	22.640.647	20.704.804

31. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Operating Income	01.01.-31.12.2014	01.01.-31.12.2013
Provisions no longer required	2.005.888	561.482
Exchange Difference Income	9.356.753	12.995.281
Insurance Damage Income	25.658	6.085
Current Account Late Charge Income	2.088.520	1.389.914
Other Income and Profits	1.582.880	520.842
Total	15.059.699	15.473.604

Other Operating Expenses (-)	01.01.-31.12.2014	01.01.-31.12.2013
Provision Expense(-)	601.280	1.416.992
Exchange Difference Expense (-)	10.181.067	5.816.265
Other Expenses and Losses (-)	355.496	373.610
Total	11.137.843	7.606.867

32. INCOME / EXPENSES FROM INVESTING OPERATIONS

Other Income from Investing Activities	01.01-31.12.2014	01.01-31.12.2013
Rental Income	56.206	47.835
Investment Property Sales Income	2.190.343	1.733.403
Tangible Assets Sales Income	130.131	12.437
Interest Income	32.617	12.731
Other	37	-
Total	2.409.334	1.806.405

Expense from Investing Activities

None (31.12.2013: None).

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33. FINANCIAL INCOME / EXPENSES

Financial Income	01.01-31.12.2014	01.01-31.12.2013
Foreign Exchange Gains	9.923.522	1.475.759
Total	9.923.522	1.475.759

Financial Expense	01.01-31.12.2014	01.01-31.12.2013
Interest Expense (-)	10.024.602	7.666.339
Foreign Currency Exchange Losses (-)	10.920.862	24.101.330
Total	20.945.464	31.767.669

34. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (31.12.2013: None).

35. INCOME TAXES

Current Tax Related to Assets	31.12.2014	31.12.2013
Prepaid Taxes and Funds	23.744	669.747
Total	23.744	669.747
Tax Provision		
Current Income Tax Provision (-)	(543.515)	(102.601)
Deferred Tax Provision Income / (Loss)	273.360	129.288
Total	(270.155)	26.687

Corporate Tax

The tax legislation provides for a temporary tax (prepaid tax) of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

The corporations earning income from a company or a branch in Turkey do not pay any withholding tax on their dividends. Other dividend payments are subject to withholding tax of 15%. If profit is added to the capital, withholding tax is not applicable.

Corporations calculate and pay quarterly temporary corporate tax of 20%. The temporary taxes paid within the year will be offset against the final corporate tax liability for the year. The temporary tax can be offset against any other financial liability against the state.

Tax losses that are reported in the Corporation tax return may be carried forward and deducted from the corporation tax base for a maximum period of five years following the year in which the losses were incurred.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred.

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35. INCOME TAXES (continued)**Income Tax Withholding**

In addition to corporate taxes, their share of the profit from the distribution of dividends in the event of the company's income in the statements, including non-resident institutions and branches of foreign companies in Turkey on any dividends distributed, except for the calculation of income tax withholding is required. Income tax 24 April 2003 - 22 July 2006 was 10% in all companies. This rate is from 22 July 2006 2006/10731 15% by the Council of Ministers. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

A reconciliation of income tax expense in the period are as follows:

	<u>31.12.2014</u>	<u>31.12.2013</u>
Profit Before Tax	9.444.255	(7.949.458)
Taxable Profit	9.444.255	(7.949.458)
Corporate Tax Rate (% 20)	20%	20%
Calculated Tax	(1.888.850)	1.589.892
Nonallowable Charges	(419.602)	(23.720)
Exemptions and Deductions	1.564.103	175.018
Total	474.194	(1.714.503)
	(270.155)	26.687

Deferred Taxes:

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit.

Deferred tax is calculated using tax rates that have been enacted in the period in which assets acquired and/or liabilities carried out and included in the statement of income as income or expense.

Deffered tax rate is %20. (2013 :%20).

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35. INCOME TAXES (continued)

	31 December 2014		31 December 2013	
	TEMPORARY DIFFERENCES	Deferred Tax Assets / (Liabilities)	TEMPORARY DIFFERENCES	Deferred Tax Assets / (Liabilities)
Deferred Tax Liabilities		(867.635)		(820.216)
Terminated Provisions	161.977	(32.395)	33.477	(6.695)
Government Grants	77.954	(15.591)	35.733	(7.147)
Receivable Rediscount (Reversal)	204.609	(40.922)	17.993	(3.599)
Real Estate appreciation (investment purpose)	2.190.343	(109.517)	433.351	(86.670)
Real Estate appreciation (intended purpose)	3.226.200	(161.310)	4.556.519	(233.659)
Tangible Asset Sales Adjustment	131.336	(26.267)	97.307	(19.461)
TPL(tax procedure law) Amortization Expense Reversal	1.511.161	(302.232)	1.664.525	(332.905)
Leave Provision Reversal	19.816	(3.963)	5.359	(1.072)
Severance Pay Provision Reversal	-	-	246.221	(49.244)
Payable Rediscount	163.384	(32.677)	129.329	(25.866)
Severance Pay Actuerial Gain / (Loss)	322.888	(64.578)	11.860	(2.372)
Warranty Expense Provision Reversal	390.916	(78.183)	257.629	(51.526)
Deferred Tax Assets	-	1.140.995	-	949.504
Impairment of receivables	(217.702)	43.540	(942.860)	188.572
Tangible Asset Sales Adjustment	(225.779)	45.156	(51.996)	10.399
Corporate Tax Retained Earnings	(1.471.643)	294.329	-	-
Reclassification of Expenses Capitalized according to TPL	-	-	(3.591)	718
Finance Expense deducted from Asset	(18.332)	3.666	-	-
Current Period IAS16, IAS 38 Amortization Expense	(1.270.131)	254.026	(1.116.306)	223.261
Impairment of inventories	(11.612)	2.322	(42.606)	8.521
Severance Pay Provision	(478.174)	95.635	(646.257)	129.251
Receivable Rediscount	(106.811)	21.362	(204.609)	40.922
Leave Provision	(169.599)	33.920	(121.907)	24.381
Warranty Expense Provision	(458.709)	91.742	(269.544)	53.909
Provision for Doubtful Receivables	(96.529)	19.306	(42.428)	8.486
Severance Pay Actuerial Gain / (Loss)	(244.073)	48.815	(5.395)	1.079
Payable Rediscount (Reversal)	(129.330)	25.866	(131.725)	26.345
Deferred Tax Liability deducted from Real Estate (Intended Purpose) Value Fund	(3.226.200)	161.300	(4.556.519)	233.659
Net, Deferred Tax Receivables Reflected to Profit / (Loss)		273.360		129.288

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35. INCOME TAXES (continued)

Group, calculated TRY 1.471.643 Deffered Tax Asset for Deductible Loss according to 30.06.2014 dated reporting standarts issued by the Public Oversight Accounting and Auditing Standards Authority (POA). (31.12.2013: None.)

36. EARNING PER SHARE

	<u>01.01-31.12.2014</u>	<u>01.01-31.12.2013</u>
Net Period Profit / (Loss)	9.311.684	(8.212.605)
Weighted Average Number of Shares	25.000.000	25.000.000
Operating Activities Per Share Profit / (Loss)	0,372	0,329

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37. RELATED PARTY DISCLOSURES

	31.12.2014			
	Receivables		Payables	
	Short Term		Long Term	
	Trade	Non-Trade	Trade	Non-Trade
Balances with Related Parties				
<u>Shareholders</u>	-	-	48.240	-
<u>Related Party</u>				
Gımaex Schmitz Fire And Rescue	951.583	-	16.329	-
Gımaex S.A.S.	-	-	20.938	-
Gımaex Roanne	133.544	-	-	-
Ktm İş ve Endüstriyel Mak.A.Ş.	245.012	-	-	-
Total	1.330.139	-	85.507	-

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37. RELATED PARTY DISCLOSURES (continued)

	31.12.2013			
	Receivables		Payables	
	Short Term		Long Term	
	Trade	Non-Trade	Trade	Non-Trade
Balances with Related Parties				
<u>Shareholders</u>	-	-	109.237	-
<u>Related Party</u>				
Gımaex Schmitz Fire And Rescue	3.177.953	-	154.052	-
Gımaex Schmitz Fire And Rescue	-	-	60.830	-
Gımaex Echelles Riffaund S.A. €	-	-	71.701	-
Gımaex S.A.S.	-	-	3.389	-
Total	3.177.953	-	399.209	-

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37. RELATED PARTY DISCLOSURES (continued)

Transactions with related parties between 01.01.-31.12.2014 and 01.01.-31.12.2013 as follows:

Transactions with Related Parties	01 January - 31 December 2014		
	Purchasing of Goods	Selling of Goods	Purchasing of Services
Gımaex Schmitz Fire And Rescue	14.619	1.108	-
Gımaex S.A.S.	-	-	20.439
Gımaex Echelles Riffaund S.A. €	-	-	-
Gımaex Schmitz Fire And Rescue	-	3.016	-
Gımaex Roanne	-	150.941	-
Gımaex Egi Sa	-	45.994	-
One Seven	641.053	-	-
Ktm İş ve Endüstriyel Mak.A.Ş.	-	7.392.603	-
Ktm Gayrimenkul Yatırım Tah.Tic.A.Ş.	-	-	-
Total	655.672	7.593.662	20.439

Transactions with Related Parties	01 January - 31 December 2013		
	Purchasing of Goods	Selling of Goods	Purchasing of Services
Gımaex Schmitz Fire And Rescue	666.743	14.908	-
Gımaex S.A.S.	3.122	-	-
Gımaex Echelles Riffaund S.A. €	56.709	-	-
Gımaex Schmitz Fire And Rescue	120.629	-	-
Total	847.203	14.908	-

Wages and other benefitt details provided to senior management between 01.01.-31.12.2014 and 01.01.-31.12.2013 as follows:

Benefits to Key Personnel	<u>01.01-</u>	<u>01.01-</u>
	<u>31.12.2014</u>	<u>31.12.2013</u>
Salary, premium etc. Benefits to Personnel	1.769.710	1.458.202
Severance Pay Provision	27.731	19.465
Total	1.797.441	1.477.667

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The aims of Group are to be beneficial for all shareholders and maintaining the best capital combination to reduce capital cost and keeping on entity when managing the capital.

The Group's capital risk management, calculating 8 as disclosed in note including loans, debts, and, respectively, of cash and cash equivalents, paid-in capital, defined benefit plans, re-measurement gains / losses, capital reserves, profit reserves and retained earnings / (loss) comprising shareholders' equity are taken into account.

Group capital cost and each risks regarding capital evaluate by executives. According to the evaluate company aim to equalise the capital structure by borrowing, redemption, dividend payment and issuance of shares.

The Group uses Liabilities / Equity rate while they follow capital sufficiency. This rate is found by net liabilities divided by total equity. Net liabilities is counted by cash and cash equivalents minus total liabilities which appears in balance sheet.

	<u>31.12.2014</u>	<u>31.12.2013</u>
Total Liabilities	93.078.271	141.390.865
Less: Cash and Cash Equivalents	(6.743.368)	(6.227.985)
Net Liabilities	86.334.903	135.162.880
Total Equity	43.362.195	30.863.277
Liabilities / Equity Ratio	1,99	4,38

b) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

b.1) Credit Risk

Financial losses due to Goup's receivables and financial assets which result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk. Company trying to decrease credit risk by making operations with confidential parties and attain enough collateral. Trade receivables contain lots of customers rathered on same sector and geographical area. Credit consideration making over Customer's trade receivables permanently.

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.1) Credit Risk (continued)

31.12.2014	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
Current Period	Related	3rd	Related	3rd	Banks Deposit
	Parties	Parties	Parties	Parties	
The maximum amount of exposure to credit risk at the end of the reporting period					
(A+B+C+D) (1)	1.330.139	62.168.345	-	5.335.319	6.724.102
- Total receivable that have been secured with collaterals, other credit enhancements etc.	-	-	-	-	-
A. Financial assets that are either past due or impaired (2)	1.330.139	62.168.345	-	5.335.319	6.724.102
B. The amount of financial assets that are past due as at the end of reporting period but not impaired	-	-	-	-	-
C. The amount of financial assets that are impaired (3)	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-
- Impairment (-)	-	1.149.127	-	-	-
- Net value guaranteed with collateral etc.	-	(1.149.127)	-	-	-
- Not overdue (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value guaranteed with collateral etc.	-	-	-	-	-
D. Off balance sheet credit risk amount	-	-	-	-	-

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.1) Credit Risk (continued)

31.12.2013	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
Previous Period	Related	3rd	Related	3rd	Banks Deposit
	Parties	Parties	Parties	Parties	
The maximum amount of exposure to credit risk at the end of the reporting period					
(A+B+C+D) (1)	3.177.954	88.374.960	-	3.716.113	6.174.747
- Total receivable that have been secured with collaterals, other credit enhancements etc.	-	(2.222.507)	-	-	-
A. Financial assets that are either past due or impaired (2)	3.177.954	88.374.960	-	3.716.113	6.174.747
B. The amount of financial assets that are past due as at the end of reporting period but not impaired	-	-	-	-	-
C. The amount of financial assets that are impaired (3)	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-
- Impairment (-)	-	2.222.507	-	-	-
- Net value guaranteed with collateral etc.	-	(2.222.507)	-	-	-
- Not overdue (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value guaranteed with collateral etc.	-	-	-	-	-
D. Off balance sheet credit risk amount	-	-	-	-	-

1) It was not considered collaterals taken which is raising credit reliability when the amounts was determined.

(2) All of the trade receivables are receivables from clients. Company management predicted that It would not be encountered any problem regarding Collection of Receivables because of considering their past experiences

(3) Impairment tests, Company's receivables from customers regarding the policy framework set by the management is made in doubtful receivables.

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**b) Financial Risk Factors (continued)****b.2 Liquidity Risk Management**

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Company's objective is to maintain a balance between current assets and liabilities through close monitoring of payment plans and cash projections. The Company manages short, medium and long term funding and liquidity management requirements by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments. The Company does not have any derivative liabilities.

Current Period					
Terms According to Agreements		<u>According to the Contracts</u>			
	Book Value	Total Cash Outflows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)
Non-derivative financial liabilities	130.886.725	130.886.725	47.621.666	35.135.354	48.129.705
Bank Credits	91.895.348	91.895.348	21.398.375	23.172.313	47.324.660
Financial Leasing Liabilities	1.182.923	1.182.923	87.625	290.253	805.045
Trade Payables	36.275.754	36.275.754	24.602.966	11.672.788	-
Other Payables	1.532.700	1.532.700	1.532.700	-	-
TOTAL	130.886.725	130.886.725	47.621.666	35.135.354	48.129.705

Previous Period					
Terms According to Agreements		<u>According to the Contracts</u>			
	Book Value	Total Cash Outflows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)
Non-derivative financial liabilities	176.470.393	176.467.469	63.303.355	79.445.761	33.718.353
Bank Credits	139.343.724	139.343.724	46.024.189	59.601.182	33.718.353
Factoring Payables	1.935.601	1.935.601	935.415	1.000.186	-
Financial Leasing Liabilities	114.464	111.540	11.128	100.412	-
Trade Payables	34.524.656	34.524.656	15.780.675	18.743.981	-
Other Payables	551.948	551.948	551.948	-	-
TOTAL	176.470.393	176.467.469	63.303.355	79.445.761	33.718.353

38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Corporate Management periodically assign strategies and limits regarding asset management, asset management manage by asset managers within this scope

b.3.1) Foreign Exchange Risk Management

Foreign currency transactions expose the Group to foreign currency risk. These risks are monitored and limited by the analysis of foreign currency position.

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3.1) Foreign Exchange Risk Management (continued)

CONSOLIDATED FOREIGN CURRENCY POSITION	31.12.2014				31.12.2013			
	TRY Equivalent	USD	EUR	GBP	TRY Equivalent	USD	EUR	GBP
1. Trade Receivables	42.435.058	10.674.983	6.268.246		53.832.557	9.093.577	11.722.845	0
2a. Monetary Financial Assets	6.019.157	2.052.098	446.895		5.442.908	202.653	1.702.657	3.000
2b. Non-monetary Financial Assets	7.365.659	491.078	2.207.571		5.508.110	734.239	1.298.018	36.850
3. Other								
4. Current Assets (1+2+3)	55.819.874	13.218.159	8.922.712	0	64.783.576	10.030.469	14.723.520	39.850
5. Trade Receivables								
6a. Monetary Financial Assets					12.489	3.100	2.000	
6b. Non-monetary Financial Assets								
7. Other								
8. Non-Current Assets (5+6+7)	0	0	0	0	12.489	3.100	2.000	0
9. Total Assets (4+8)	55.819.874	13.218.159	8.922.712	0	64.796.065	10.033.569	14.725.520	39.850
10. Trade Payables	13.304.064	3.826.976	1.570.423		16.834.138	6.001.922	1.370.419	0
11. Financial Liabilities	17.480.850	1.486.672	4.975.150		80.289.012	19.242.771	13.355.752	
12a. Other Monetary Financial Liabilities								
12b. Other Non-monetary Financial Liabilities	29.623.883	10.767.284	1.650.522		18.184.794	3.430.802	3.699.109	
13. Short Term Liabilities (10+11+12)	60.408.796	16.080.933	8.196.094	0	115.307.944	28.675.495	18.425.280	0
14. Trade Payables								
15. Financial Liabilities	23.942.836	2.857.761	6.138.893		33.636.717	4.093.806	8.479.246	
16a. Monetary Financial Liabilities								
16b. Non-monetary Financial Liabilities								
17. Long-Term Liabilities (14+15+16)	23.942.836	2.857.761	6.138.893	0	33.636.717	4.093.806	8.479.246	0
18. Total Liabilities (13+17)	84.351.632	18.938.694	14.334.987	0	148.944.661	32.769.301	26.904.527	0
19. Off Balance Sheet Derivative Instruments Net Asset/ (Liability) position (19a-19b)								
19a. Hedged Assets Total								
19b. Hedged Liabilities Total								
20. Net Foreign Currency Assets / (Liability) Position (9-18+19)	(28.531.758)	(5.720.534)	(5.412.275)	-	(84.148.596)	(22.735.732)	(12.179.006)	39.850
21. Monetary Items Net Foreign Currency Assets / (Liability) Position (UFRS 7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	(6.273.535)	4.555.673	(5.969.325)	-	(71.471.912)	(20.039.169)	(9.777.915)	3.000
22. Total Fair Value of Financial Instruments used for Currency Hedge								

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3.1) Foreign Exchange Risk Management (continued)

The Group is exposed to foreign exchange risk arising primarily with respect to transactions denominated in USD, EURO and GBP.

The following table details the Company's sensitivity to a 10% increase and decrease in the TL against USD, Euro and GBP. 10% is used in the reporting of currency risk to the key management and it represents the management's expectation on the potential exchange rate fluctuations. Sensitivity analysis can only made on the year-end outstanding foreign currency denominated monetary items and it shows the year-end effects of the 10% of exchange currency fluctuation on the related items.

Exchange Rate Analysis Table			
31.12.2014			
	Profit / Loss		Equity
	Appreciated Exchange Rate	Depreciated Exchange Rate	Appreciated Exchange Rate
In case of 10% change in USD against TRY			
1- USD net assets / liabilities	(1.056.414)	1.056.414	-
2- The amount of USD Hedging (-)	-	-	-
3- USD Net Effect (1+2)	(1.056.414)	1.056.414	-
In case of 10% change in EUR against TRY			
4- EUR net assets / liabilities	(1.684.909)	1.684.909	-
5- The amount of EUR Hedging (-)	-	-	-
6- EUR Net Effect (4+5)	(1.684.909)	1.684.909	-
TOTAL (3+6)	(1.684.909)	2.741.323	-
Exchange Rate Analysis Table			
31.12.2013			
	Profit / Loss		Equity
	Appreciated Exchange Rate	Depreciated Exchange Rate	Appreciated Exchange Rate
In case of 10% change in USD against TRY			
1- USD net assets / liabilities	(4.852.487)	4.852.487	-
2- The amount of USD Hedging (-)	-	-	-
3- USD Net Effect (1+2)	(4.852.487)	4.852.487	-
In case of 10% change in EUR against TRY			
4- EUR net assets / liabilities	(3.576.365)	3.576.365	-
5- The amount of EUR Hedging (-)	-	-	-
6- EUR Net Effect (4+5)	(3.576.365)	3.576.365	-
TOTAL (3+6)	(3.576.365)	3.576.365	-
In case of 10% change in Other Currencies against TRY			
7- Other net assets / liabilities	13.992	13.992	-
8- The amount of Other Hedging (-)	-	-	-
9- Other Net Effect (4+5)	13.992	13.992	-
TOTAL (3+6+9)	(8.414.860)	8.442.844	-

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management (continued)

b.3.2) Interest Rate Risk Management

The value of a financial instrument will fluctuate as a result of changes in market prices. The Group's interest rate risk is primarily attributable to its borrowings.

The interest-bearing financial liabilities have variable interest rates, whereas the interest bearing financial assets have a fixed interest rate and future cash flows associated with these financial instruments will not fluctuate in amount. The Group is subject to interest risk due to financial liabilities and finance lease obligations. Policy of the Group is to manage this risk through fixed and variable rates borrowings.

The interest rate risk table is presented below:

Interest Position Table		Current Period	Previous Period
Fixed-rate Financial Instruments			
	Financial assets fair value differences reflected to income statement	-	-
Financial Assets	Cash and Cash Equivalents	-	-
Financial Liabilities		67.576.940	105.338.891
Floating-rate financial instruments			
Financial Assets		-	-
Financial Liabilities		25.501.331	35.940.434

Company is exposed to interest rate risk because of floating-rated financial liabilities. As at balance sheet date, interest rate was %1 increased or decreased over 100 basis point in term of USD, EURO and TRY financial liabilities, period profit before tax would be increased or decreased approximately TRY 147.479 (31.12.2013: TRY 388.026).

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39. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES)

	The fair value of the	Loans and Receivables	Financial Assets	Financial Liabilities		
	financial assets	Including cash and cash equivalents	Available-for-sale	are measured	Book Value	Note
				at amortized cost		
31 December 2014						
Financial Assets						
Cash and Cash Equivalents	-	6.743.368	-	-	6.743.368	6
Trade Receivables	-	63.498.484	-	-	63.498.484	9
Financial Liabilities						
Financial Payables	-	-	-	93.078.271	93.078.271	8
Trade Payables	-	-	-	36.275.754	36.275.754	9
31 December 2013						
Financial Assets						
Cash and Cash Equivalents	-	6.227.985	-	-	6.227.985	6
Trade Receivables	-	91.552.913	-	-	91.552.913	9
Financial Liabilities						
Financial Payables	-	-	-	141.390.865	141.390.865	8
Trade Payables	-	-	-	34.524.656	34.524.656	9

Group management, the carrying values of financial instruments reflect their fair values.

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39. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES) (continued)

Financial Instrument fair values determine as follows;

- First Level: Financial Instruments valuated with market values of the similar instruments which traded on active market
- Second Level: Financial Instruments valuated with data uses to find price which observable directly or indirectly on the market in addition to first level.
- Third Level: Financial Instruments valuated with data which not based on data uses to find fair value of the instruments on the market.

Company hasnot got any financial assets and liabilities shown as fair values.

40. POST BALANCE SHEET EVENTS

31.12.2014:

Company issued TRY 20.000.000 bond according to 13.01.2015 dated and 1/13 numbered Capital Market Board decision.

31.12.2013:

None.

41. DISCLOSURE OF OTHER MATTERS

None (31.12.2013: None).