

POWER GOES SUBSEA!

Çanakkale 380 kV Submarine Cable Connection Project connects Asia and Europe in Dardanelles Strait.



WORLDWIDE LEADER IN RE
ECHNOLOGY LINKING TURKEY TO THE FUTURE ENERGY
LEADING TECHNOLOGY IN ALL

Türk Prysmian Kablo ve Sistemleri A.Ş.

2015 ANNUAL REPORT





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MESSAGE FROM THE CEO



Dear Shareholders,

We made significant contributions to Turkey's industrialization process with our innovative products and investments that we develop by closely following technological advances and needs in the market. As in previous years, we have successfully completed our 2015 activity year, getting through tough conditions.

Our Strategy and Important Activities

It is a huge responsibility to own one of 89 factories of the Prysmian Group, a world leader located in 50 countries, to produce 22.000 different cables in this factory and to complete 50 years in Turkey. Today, with both the strength we get from our global structure, experienced team and knowledge level, our different projects prove that we are one step ahead of the Turkish cable industry.

The Campaign "Attention! All Cables Are Not The Same...", aiming to educate end-users and build awareness in relation to low performance and non-compliant products, had been developed in 2012 and have since been announced to the industry by means of a fairly wide-scale activity program. So far, we have completed 5 different phases of the campaign; educating approximately 2700 people. The focus of this project is to raise the awareness that all cables are not the same and to educate all the stakeholders in the market that it is important to be careful when choosing the cable solution and brand to have a safer, better performing product and importantly save on the total cost of ownership.

Moreover, in parallel to our mission "Linking Turkey to the Future"; CPR-Construction Products Regulations infrastructure was established for our fire test laboratories that was expanded and rendered compliant with European norms, and the scope of our research and product development activities were broadened. Our new laboratory represents the considerable technologic investments we made to our future as an indication of the importance we attach to resistance-to-fire performances.

After having a comprehensive audit on 28- 29 May 2015, we obtained our "ISO 27001 Information Security Management System Certificate" with full compliance.

We launched our "Customer Care Project" in March 2015, creating a direct link between our distributors and our factory and increasing customer satisfaction by providing faster and accurate information flow.

We realized another first in cable industry by obtaining TURKAK Certification from Turkish Accreditation Agency for our material technologies laboratory on fire tests.

We also launched the "Manufacturing Academy" project in Mudanya, aiming to enhance Prysmian Group's manufacturing knowledge, culture and terminology by creating a strong community of experts able to share and implement the best internal practices. We're proud to see Turkey's Mudanya plant as the Group's Centre of Excellence and Expertise for training in manufacturing, and creating future's manufacturing managers and factory directors.

Human Resources

As Prysmian Group Turkey, we create communication channels for our employees to adopt and disseminate corporate culture, our vision and mission; while organizing trainings for their personel and career development.

We organized approximately 20.000 hours of trainings to white and blue collar employees throughout 2015. Technical cable trainings for sales team which are prepared by our R&D team, leadership training for mid level executives in and outside of Turkey and also self-improvement trainings continue. We are planning to continue to enhance these trainings within coming period.

Looking to the Future

With the strength we gain from our Group, which is the world leader in the field of submarine energy cables; we completed the first 380 kV Dardanelles Submarine Cable Project in April 2015 and started the second one on February 2015. Year 2016 will be a very important year for our Company and our Group; our sustainable success and strength will grow even better and important projects will be realized.

In line with our mission "Linking Turkey to the Future" that we launched in 2011, we will consistently continue to offer optimal solutions to meet the demands of our customers with innovative and most efficient products.

Erkan Aydođdu
CEO



Halil İbrahim Kongur
Chairman &
Factory Director

Erkan Aydođdu
Vice Chairman &
CEO

Alberto Maria Tagliabue
Board Member &
CFO

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

-  50 COUNTRIES
-  89 PLANTS
-  17 R&D CENTERS
-  19.000 EMPLOYEES

GENERAL INFORMATION

Prysmian's business is centered on the key markets of Energy Cables and Systems, Telecom Cables and Systems, in which we are among the world leaders and innovators. For more than a century we have grown as a truly multinational corporation, deeply rooted in local markets throughout the world and building upon our core sectors.

As being a member of Prysmian Group and as the oldest well-established and leading company in its sector, our vision is; to exhibit a creative and superior performance within the workforce with its distinguished and innovative role, to have an organizational structure which emphasizes openness and social responsibility, to keep customer satisfaction by providing long-term partnerships, to create a value for its stakeholders with permanence, to dedicate itself to improve the social conditions, to be always the leader of the sector in Turkey and international platform.

Our mission is to add value to our shareholders and to the sector by providing to our customers, our partners and to the community innovative, technological, high quality and safe products which are adequate to standards.

Our annual report includes the period of 01.01.2015 and 31.12.2015.

The Trade Registry Information about Türk Prysmian Kablo ve Sistemleri A.Ş. is above mentioned:

Headquarters: Ömerbey Mah. Bursa Asfaltı Cad. No:51 Mudanya / BURSA

Tel: +90 224 270 3000 **Fax:** +90 224 270 3024

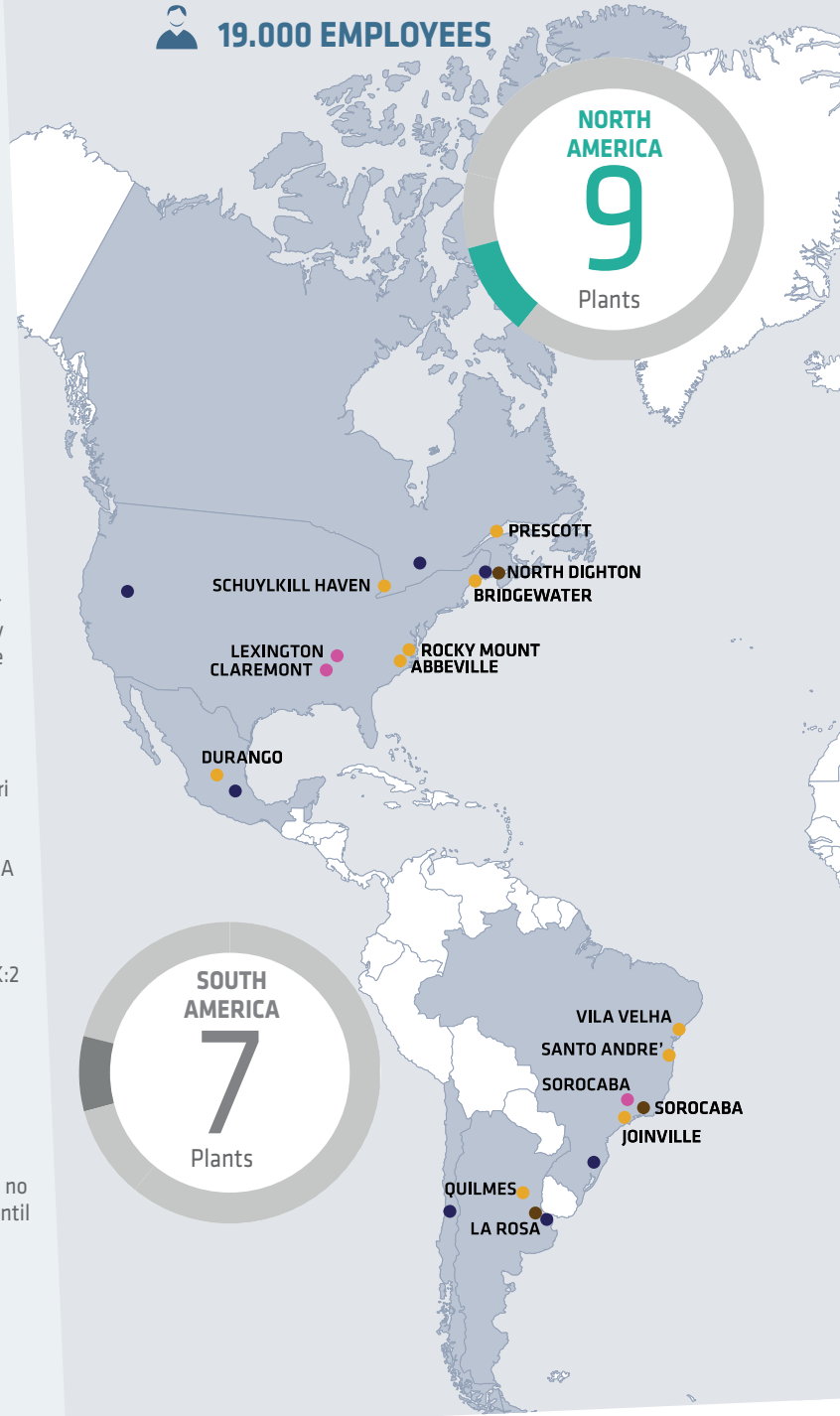
Branch: Ömer Avni Mahallesi İnebolu Sok. Haktan İş Merkezi No:39 K:2 Setüstü Kabataş Beyoğlu/İSTANBUL
Tel: +90 212 393 7700 **Fax:** +90 212 393 7762

Trade Registry Number: M0153/Bursa Merkez

Web Site: www.prysmiangroup.com.tr

Amendment of Articles of Association during business year: There is no amendment at the articles made by our company from 01.01.2015 until 31.12.2015.

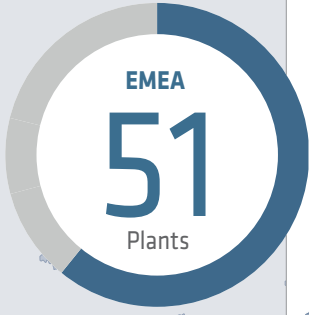
The revised edition of the articles of association is available on www.prysmiangroup.com.tr and www.kap.gov.tr.



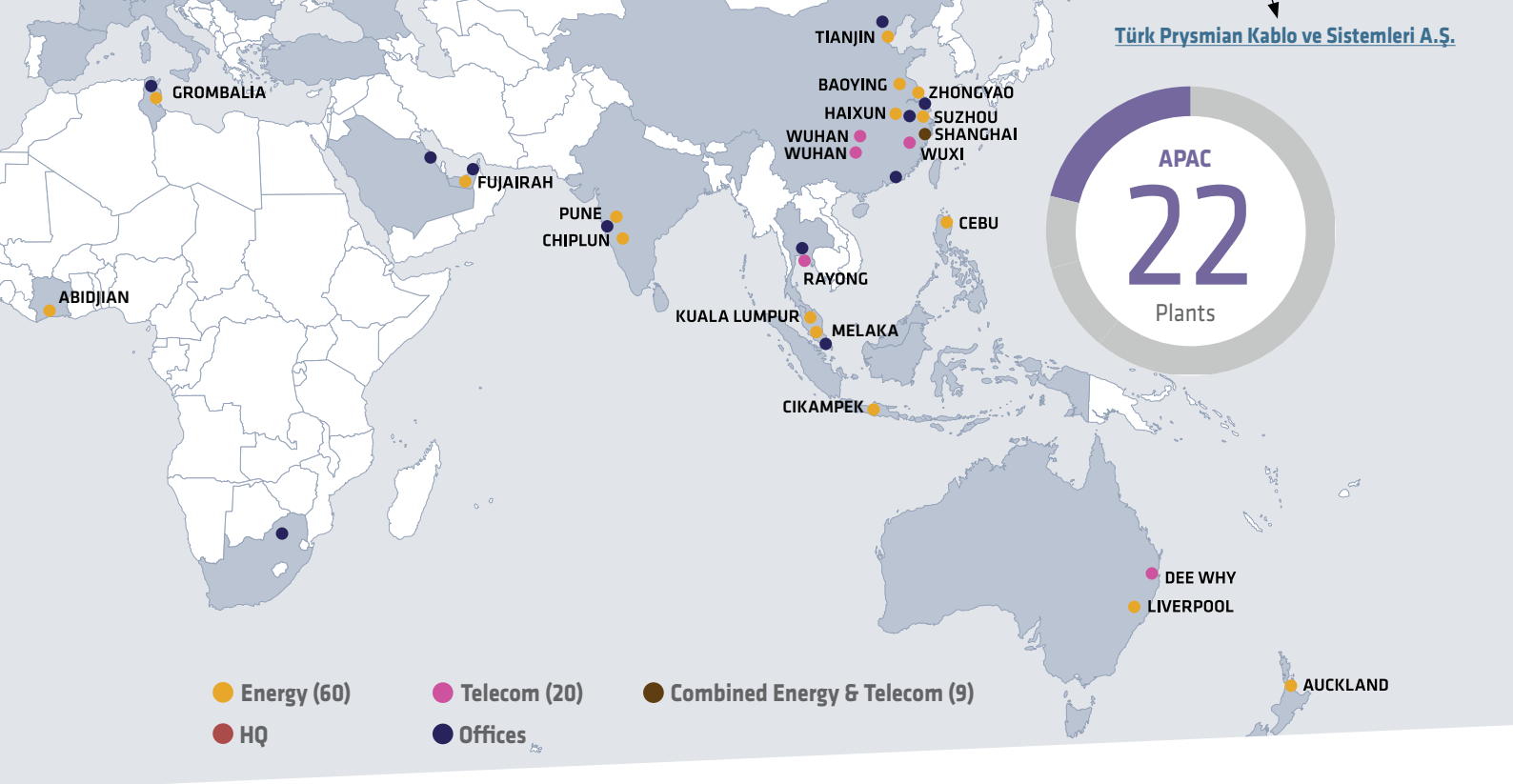
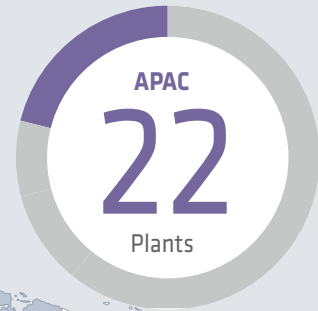
TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AT A GLANCE

Türk Prysmian Kablo ve Sistemleri A.Ş. is Turkish operation of Prysmian Group, worldwide leading company in energy and telecommunication cables' industry following the merge realized between Prysmian and Draka, in 2011. The company is headquartered in Mudanya (Bursa) since 1964 and carries out its activities in a total area of 180.000 m² (covered area: 79.000 m²).

The company stands out in Prysmian Group as one of the 9 plants that can simultaneously produce energy and telecom cables. All the energy cables up to 220 kV, copper conductor communication cables up to 3.600 pairs, optical fiber cables, special cables used for industrial applications are in the full range of product of Türk Prysmian. Moreover, as a result of the merger with Draka on main shareholders level railway-signaling cables, lift systems, studio broadcast cables and special cables have also been added to the company's product range. Today Mudanya factory can produce 22.000 different cables. Besides all these, Türk Prysmian performs "turn key" projects for cables and systems, and provides all its customers unique and superior services.



Türk Prysmian Kablo ve Sistemleri A.Ş.



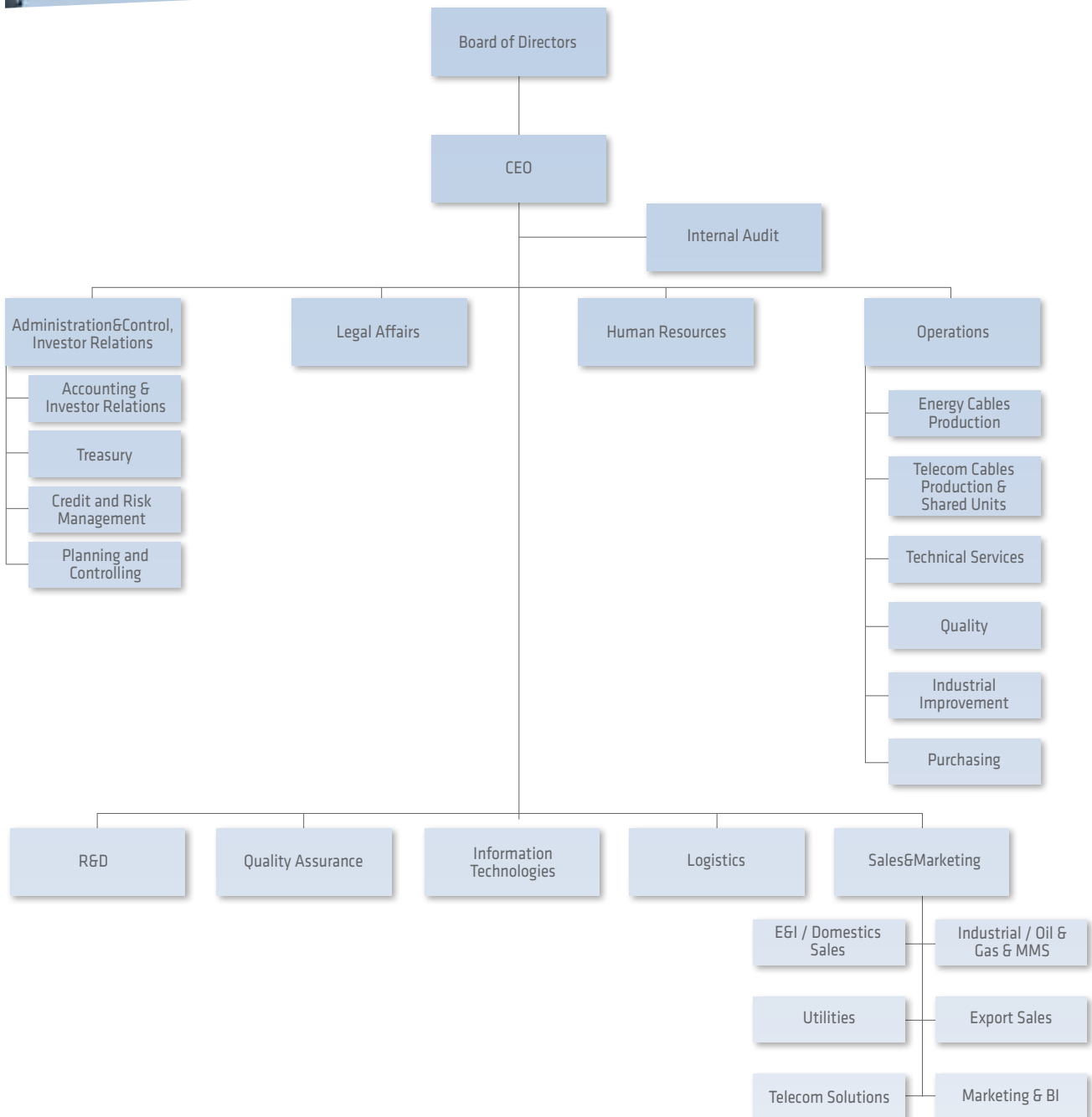
- Energy (60)
- Telecom (20)
- Combined Energy & Telecom (9)
- HQ
- Offices

The installed capacity of Türk Prysmian is able to meet the whole demand of the domestic market and is also at a level to compete in the international markets. Türk Prysmian, with its 88% capacity saturation in 2015 and which continues to be a privileged export center within the Prysmian Group exported approximately 29% of its TL989,742,489 turnover in 2015. Türk Prysmian has sustained its leadership regarding to innovation, technology, quality and customer satisfaction in Turkey and in the international markets. Today, the company exports to more than 40 countries including Azerbaijan, Barbados, China, Chile, France, Iraq, Jordan, other countries in Middle East, North Africa regions, Papua New Guinea, Sri Lanka, Turkmenistan and UK.

Prysmian Group has 17 R&D centers worldwide; one of these R&D centers is in Türk Prysmian's Mudanya factory. Material Technologies Laboratory located in this R&D center is registered by Turkish Accreditation Agency (TÜRKAK) with accreditation certificate named as TS EN ISO/IEC 17025 "General Requirements For The Competence of Testing and Calibration Laboratories". The certificate given by TÜRKAK represents that the results of "fire tests" completed in Türk Prysmian's laboratory have reliability and also an international validity.

Türk Prysmian Kablo ve Sistemleri A.Ş., listed on the Istanbul Stock Exchange, which increases the effectiveness of its products and services everyday not only in Turkey, but also in global markets has proven the value it gives to human being and to the environment by obtaining ISO/DQS 9001, and ISO 14000 certifications in its sector.

ORGANIZATIONAL STRUCTURE



COMPANY BOARDS

The Board of Directors

Chairman	Halil İbrahim KONGUR
Vice Chairman	Erkan AYDOĞDU
Board Member	Hans G.S. HOEGSTEDT
Board Member	Alberto Maria TAGLIABUE
Board Member	Fabio Ignazio ROMEO
Independent Board Member	Ayşe Canan EDİBOĞLU
Independent Board Member	Ali Aydın PANDIR
Independent Board Member	Mehmet Emin TUTAN

Audit Committee

Chairman	Ayşe Canan EDİBOĞLU
Committee Member	Ali Aydın PANDIR

Corporate Governance Committee

Chairman	Ali Aydın PANDIR
Committee Member	Fabio Ignazio ROMEO
Committee Member	Nevin KOCABAŞ
Committee Member	Alper GÜN

Early Risk Assessment and Risk Management Committee

Chairman	Ayşe Canan EDİBOĞLU
Committee Member	Ali Aydın PANDIR
Committee Member	Alberto Maria TAGLIABUE



BOARD MEMBERS



Halil İbrahim Kongur
Chairman & Factory Director

Halil İbrahim Kongur has joined the Prysmian family in 1986 and since 2003, he has been working as Factory Director. Additional to his current responsibility, he's appointed as Chairman on January 2015. Kongur, worked as Planning Engineer, Logistics Manager, Production Manager and Purchasing Director before assigned to these roles. He is graduated from Karadeniz Technical University, department of Mechanical Engineering and completed his masters degree in Berlin Technical University in Manufacturing Technologies department.



Erkan Aydođdu
Vice Chairman & CEO

Erkan Aydođdu started to work in the Production Planning department, in 1997 within Prysmian family. Aydođdu, who went to Italy in 2000 as Process Kaizen Engineer, was the leader of continuous improvement teams in Europe's diffent facilities between 2001-2002. Aydođdu came back to Turkey in 2003 and worked as Logistics Chief and Logistics Manager; and then in 2010 took the responsibility of R&D and Logistics Director. Since 2015, Erkan Aydođdu has been working as CEO and Vice Chairman of Türk Prysmian. Aydođdu is graduated from Middle East Technical University department of Mechanical Engineering.



Fabio Ignazio Romeo
Board Member (Draka Holding B.V. natural person per procuracy)

Fabio Romeo is the Head of Energy Cables & Systems division of Prysmian Group. He obtained a degree in Electronic Engineering from the Polytechnic University of Milan in 1979, an M.S. and a Ph.D. in Electrical Engineering and Computer Sciences from the University of California at Berkeley, in 1986 and 1989, respectively. His first work experience was in 1981 with Tema (ENI Group) as Project Manager for Chemical Plants. In 1982, he moved to Honeywell as Technical Advisor to the Honeywell's CEO. In 1989 he joined the Electronics division of Magneti Marelli as Innovation Manager and in 1998 he was appointed as Managing Director of the Electronics Systems division of the same company. He joined the Pirelli Group in 2001 as Director of the Truck business unit for Pirelli Tyre division and, one year later, became the Utilities Director of the Cable division of the Pirelli Group. He has been the Head of our Energy Cables & Systems division since December 2004 and he is at the same time Türk Prysmian Kablo ve Sistemleri A.Ş. Board Member.



BOARD MEMBERS



Hans GS Hoegstedt
Board Member

Hans Hoegstedt, before assigned to Prysmian Group Italy as CEO on January 2015, worked as “Worldwide Director for the two targets business units; Power Distribution and Trade & Installers” within Prysmian Group between 2006-2011 and as CEO of Türk Prysmian between 2011-2014. Hoegstedt, started his career in London in 1994 and has since then held several senior marketing, sales and general manager / CEO positions in leading B2C and B2B multinational companies including The Coca-Cola Company, Fiat Auto/ Alfa Romeo. During his career, he has worked in 7 different countries including UK, Germany, US, Romania, Italy and Turkey. He holds an BA and MBA studying at Pepperdine University and Harvard University.



Alberto Maria Tagliabue
Board Member & CFO

Alberto Tagliabue, started his professional career in 1982, in Internal Audit department of Pirelli Group. In the following years, he covered a position in the Pirelli Group as the Consolidated Balance Sheet responsibility of Pirelli Tyres from 1989 - 1992, a company listed on the Stock Exchange in Amsterdam; from 1997 as CFO of BU Steel cord of Pirelli Tyres and from the end of 2002, as Director of Planning and Control Services Provider in Pirelli Real Estate, a company listed on the Milan Stock Exchange. Alberto Tagliabue has joined Prysmian family in 2006 as Chief Financial Officer (CFO) of Prysmian Cable and Systems in Italy and worked as Prysmian Group Danubian Region CFO between 2009-2014. He has been appointed to Türk Prysmian as CFO and Board Member from January 2015. He is graduated from Economy department of L. Bocconi University in Milan in 1982.



Ayşe Canan Ediboğlu
Independent Board Member

Canan Ediboğlu started her professional life in Southampton University as Research Assistant. She returned to Turkey in 1980 and within the same year, she took the responsibility of Planning Manager in Shell Turkey. As of 1980, she worked in various departments within Shell Turkey such as Marketing, Treasury and Planning. Ediboğlu worked as Shell Turkey Country Director and General Manager between 2001-2009 and Independent Board Member in ING Bank Turkey from 2010 and Aygaz from 2012. Canan Ediboğlu is graduated from Southampton University, Economy department and had her masters degree in the same university, Financial Control Management field.



Ali Aydın Pandır
Independent Board Member

Ali Aydın Pandır has been serving Erdemir’s Chairman and Managing Director since November 2013. Employed as Tofaş’s CEO and a member of Tofaş’s Board of Directors between 2006 and 2012, Pandır has also served in positions such as supply chain director and general director/CEO in General Motors factories located in Indonesia, Singapore and Chinde between 1996 and 2006. Between 1993 and 1996, he worked as Aftersales services manager for Opel Germany, followed by his employment in the same position in General Motors. Starting his career in Tekersan Jant Sanayii, Pandır worked as Production Manager in Otokar A.Ş. from 1984 to 1989 and as Project Engineer in Koç Holding A.Ş. between 1982 and 1984. Pandır is a graduate of İstanbul Technical University, Department of Mechanical Engineering.



Mehmet Emin Tutan
Independent Board Member

Mehmet Emin Tutan served as Ak Party’s parliament member from Bursa during November 2002-June 2011 period. Holding office between 2001 and 2002 as Bursa, Yıldırım District President of Ak Party, Tutan has also served as a member of Council in Bursa during 1989-2002 period. A Certified Public Accountant, Tutan also has a Certified Public Accounting office. Tutan is a graduate of Uludağ University, Department of Business Management.

MANAGERS



Onur Artıkođlu
Export Sales Director

Onur Artıkođlu, before his appointment to Prysmian family as Export Sales Director, held several senior positions within Otis Elevator Company '04-'14. During his career at Otis, Artıkođlu worked as Export Manager, Export and High-Rise Buildings Sales Manager and High-Rise Buildings Department Leader for Turkey and Middle-East. He holds his bachelor degree from YÜ Electrical Engineering and completed his master degrees in Istanbul University departments of International Management and MS in Marketing.



İ. Etem Bakaç
EđI / Domestic Sales Director

İbrahim Etem Bakaç started to work in Domestic Sales department in 2001. In 2003, he was appointed as Domestic Sales Manager and between 2010 - 2011 he worked as Sales & Marketing Director. Since 2011, he has been working as EđI / Domestic Sales Director. He is graduated from Istanbul Technical University department of Electrical & Electronics Engineering and he completed his masters degree in Istanbul Technical University department of Electrical & Electronics Engineering.



İlker Bertan Bilgin
Logistics Manager

İlker Bertan Bilgin started his career as an CAE Project and Application Engineer at FIGES in 2004. In 2005 he joined Prysmian family as Industrial Improvements Engineer. In the same year, he changed his position to Energy Production Planning Chief. He was appointed as Energy&Telecom Planning Chief in 2010 and as of January 2015, he continues his career as Logistics Manager of Türk Prysmian. İ. Bertan Bilgin is graduated from University of Uludağ, Mechanical Engineering department and also he completed his MBA at the same University.



Ufuk Çolak
Telecom Solutions Manager

Ufuk Çolak has joined Prysmian family in 1994 and has worked in different roles in Sales and Marketing department. Çolak has worked as FP Product Manager at Prysmian Cables UK from 2007 to 2009. On his return to Turkey in 2010, he started to work as Key Account Manager. Before its appointment to his current position on 2014, he was working as Marketing and Business Intelligence Manager. Ufuk Çolak is graduated from Istanbul Technical University department of Electrical Engineering.



İdris Çolakgil
Information Technology Manager

İdris Çolakgil has provided consulting services to our company since 1998, and started to work in the Information Technology department in 2000 in Prysmian family. He worked as ŞAP Logistics Specialist and Information Technology Chief and since 2008 he has been working as Information Technology Manager. İdris Çolakgil is graduated from Middle East Technical University department of Electrical & Electronics Engineering.



Faik Kürkçü
Utilities & Contractors Sales Director

Faik Kürkçü started to work in Utility Sales department in 1995 and he was appointed as Utility Sales Manager in 2005. Since 2010, he has been working as Utilities & Contractors Sales Director. He is graduated from Yıldız Technical University department of Electrical Engineering.



Sabri Levent Özçengel
Human Resources Director

Sabri Levent Özçengel has joined Prysmian family in 2000. Since 2006, he has been working as Human Resources Director, before his assignment to his current job, he worked in Administration & Control and Export Sales departments. Özçengel is graduated from Middle East Technical University department of Public Administration, and he completed his masters degree in Anadolu University department of International Economics.



İlhan Öztürk
Specialties & OEM Sales Director

İlhan Öztürk has worked in various positions in Sales and Logistics departments in Cable sector since 1994. Öztürk has joined Prysmian family as Industrial Sales Manager. Between 2010 - 2011, he worked as Export Sales Manager and has been working as Specialties & OEM Sales Director since 2011. Öztürk is graduated from Istanbul Technical University department of Electrical Engineering.



Zekeriya Şirin
Research & Development Manager

Zekeriya Şirin started his professional career in Logistics department of Prysmian family as Planning Engineer in 1998. He worked in mainly TPM projects at design-development, process-production, quality control, energy cable production departments. He worked as Design Engineer after 2003; and was appointed as R&D Design Chief in 2010, R&D Design Manager in 2014. He is currently working as R&D Manager. Zekeriya Şirin is graduated from Yıldız Technical University, department of Chemical Engineering and completed the MBA programme in Uludağ University in 2011.



Yiđit Türsoy
Legal Affairs Director

Yiđit Türsoy has joined Prysmian family in 2005. He has been working as Legal Affairs Director, graduated from Istanbul University Faculty of Law. Türsoy, in 2007, completed his masters degree in Galatasaray University in Law and Economics department and in 2010 Istanbul Bilgi University Master of Business Administration programme.



Tamer Yavuztürk
Marketing and Business Intelligence Manager

Tamer Yavuztürk has joined Prysmian family in 2005 as Product Manager, he was appointed as Marketing Chief in 2007 and Regional Export Sales Manager in 2009. He has worked as Key Account Manager between 2011 and 2014; since 2014 he has been working as Marketing and Business Intelligence Manager. Tamer Yavuztürk has an Electrical Engineering degree from Istanbul Technical University. He lived and worked in London between 1999 and 2005; and during this period he has completed his MBA-International Marketing course in the University of Leicester. He also has a masters degree in Financial Economics from Istanbul Bilgi University.



Sevda Yücel
Purchasing Director

Sevda Yücel started to work in Purchasing department in 1997 in Prysmian family. Between 2001 - 2002, she went to Italy-HQ and worked as a Lead Buyer in the Purchasing department. She returned to Turkey in 2003 and continued her task as Raw Material Purchasing Chief in Pirelli Group. Since 2005, she has been working as Purchasing Director. She is graduated from Istanbul Technical University department of Mechanical Engineering, and she completed her masters degree in Istanbul Technical University department of Mechanical Engineering.

MANAGERS


Esat Baykal
Quality Manager

Esat Baykal started to work in Prysmian family in 1984. Since 2004 he has been working as Quality Manager. Before he has been assigned to his current job, he worked as High Voltage Laboratory Chief, Telecom Cables Quality Manager and R&D Manager. He is graduated from Middle East Technical University department of Electrical Engineering.


Gürkan Bayrak
Telecom Cables & Shared Units Production Manager

Gürkan Bayrak has joined Prysmian family in 1997 as Production Engineer. Bayrak worked in various positions in the factory. Before he has been assigned to his current job, he worked as Telecom Order Management Chief in Logistics department. Since 2014 he has been working as Telecom Cables and Shared Production Manager. He is graduated from Istanbul East Technical University department of Electronics&Communication Engineering.


Mehmet Er
Energy Cables Production Manager

Mehmet Er has joined Prysmian Group family in 2003 as Production Engineer. He worked as Electronical Maintenance Engineer in Technical Service department between 2004-2006 and Production Chief in Energy Cables Production department between 2006-2013. Since 2014 he has been working as Energy Cables Production Manager. He is graduated from Istanbul University department of Electronics Engineering.


Ercan Gökdağ
Planning and Controlling Manager

Ercan Gökdağ has joined Prysmian family in 2007 as Planning and Controlling Chief. Between 2011-2012, he has worked as Planning and Controlling Manager of Türk Prysmian Cables and Systems. Between 2012-2015 he went to Denmark and worked as Chief Financial Officer (CFO) of Prysmian Denmark. He returned to Turkey in May 2015 and started to work as Planning and Controlling Manager again. He started his professional career in 2004 in Ernst&Young at Audit Department after being graduated from Marmara University, department of Economics.


Nevin Kocabaş
Accounting and Investor Relations Manager

Nevin Kocabaş has started her professional career in 2003 in T. İş Bankası A.Ş. at exchange department. She had worked in the group of T. Şişe ve Cam Fabrikaları A.Ş as General Accounting Chief from 2005. Kocabaş has joined Prysmian family in 2011 and was appointed as Accounting and Investor Relations Manager. She is graduated from Uludağ University department of Business Administration and also completed her masters degree in Uludağ University, department of Accounting and Finance.


Hande Özden
Health, Environment & Quality Assurance Manager

Hande Özden started to work as Quality Assurance Engineer in 2008 within Prysmian Group family and she was assigned to the position of Loss Prevention Manager in Italy-HQ in 2012. Özden came back to Turkey in July 2015 and since then, she has been working as Health, Environment & Quality Assurance Manager of Türk Prysmian. Hande Özden is graduated from University of Uludağ, department of Environmental Engineering.


Alaettin Şenkaya
Material Technologies Manager

Alaettin Şenkaya, started to work for Prysmian Group at Material Technologies in Research&Development Department in 2005. He has been working as Material Technologies Manager since 2014. Şenkaya is graduated from Chemical Engineering Department of Istanbul Technical University.


Figen Tamuroğlu
Treasury Manager

Figen Tamuroğlu has started her professional life in foreign trade business, worked as finance and import expert before joining the Prysmian Group in 1994. She has continued her work as Treasury Chief and Group Treasury Manager between 2003 - 2005 in Pirelli Group. Tamuroğlu is working as Treasury Manager. She is graduated from İstanbul University Faculty of Forestry Engineering and completed her master degree in Managerial economics in faculty of Business Administration in İstanbul University.


Celal Uruçay
Industrial Improvement Manager

Celal Uruçay, has started his professional career in 2005 in Production Department in Prysmian family. He started to work in Industrial Improvement department in 2009 and he has been working as Industrial Improvement Manager since 2012. Celal Uruçay, is graduated from İstanbul Technical University department of Electrical Engineering.


Okay Yıldız
Technical Services Manager

Okay Yıldız started to work in Technical Services department in 1988 in Prysmian family. As of 1993, he worked as Mechanical Group Manager and Energy Cables Production Manager; since 2002 he has been working as Technical Services Manager. Yıldız is graduated from Uludağ University department of Mechanical Engineering.

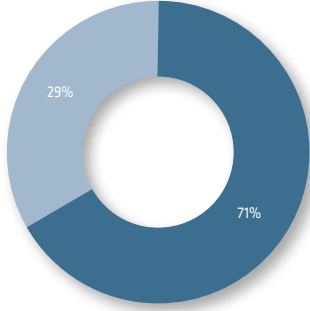

Gaye Yurdaşen Kantar
Credit and Risk Manager

Gaye Yurdaşen Kantar has joined Prysmian family in 2012. Previously, Gaye Yurdaşen Kantar have had banking experience as Portfolio Manager at Yapı ve Kredi Bankası A.Ş. -where she has been started her professional career as Asst. Portfolio Manager- during her 9 years of working experience in both, Cooperate and Commercial banking. Mrs.Kantar with the role of Credit and Risk Management Manager, is graduated from İstanbul University of Economics department.

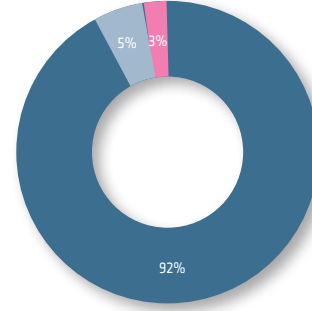
SALES STRUCTURE

Türk Prysmian Kablo ve Sistemleri A.Ş.'s sales structure, is composed of its A-Team Distributors from all around Turkey and its Key Account customers from Turkey and worldwide.

Our company's sales structure in 2015 is as below:



Domestic Market:	TL702,946,075 (71%)
Export:	TL286,796,414 (29%)
Total:	TL989,742,489



Energy:	TL906,403,482 (92%)
Copper Telecom:	TL53,352,093 (5%)
Fiber:	TL29,986,914 (3%)

Türk Prysmian's A-Team Distributors are as below:

Adnan Elektrik	Delta Tema Elektrik	Karadeniz Elektromarket	Ruhbaş Elektrik
Alfa Elektrik	Derya Elektrik	Kıraç Elektrik	Santral Elektrik
Asal Elektrik	Egesim	Mefa Elektrik	Ünko Elektrik
Aykon Ekay Elektrik	Elpim	Oskar Elektrik	Yeğenler Elektrik
Cihan Elektrik	Fındikkaya Elektrik	Öztekni Enerji	Yılmaz Elektrik
Çağın Elektromarket	Gerilim Elektrik	Panosan Elektrik	
Çetin Elektrik	Güzel Ufuk Elektrik	Promeda Elektrik	

Türk Prysmian's Some Key Account Customers are as below:

ABB	Enerji-SA	Net Mühendislik	TEİAŞ
Akdeniz İnşaat	Ereğli Demir Çelik	Nokia NSN	Tekfen
Alarko	FGC Elektrik	Nuh Çimento	Teleset
Alcatel-Lucent	Gama Holding	Park Teknik	Torunlar
Alstom	Habaş	Petrofac	Tuttle & Hughes
Anel Grup	HKS Has Asansör	Polimeks İnşaat	Tüpraş
Arçelik	İçdaş	R&M Electrical Group	Türk Telekom
Areva	İlk İnşaat	Rönesans Holding	Türkiye Taş Kömürü Kurumu
AE Arma Elektropanç	İşnel	Sasel Elektromekanik	Vesco Contracting
Beşiktaş Gemi İnşa	İskenderun Demir Çelik	Savronik	Vestel
Çalık Enerji	İstanbul Ulaşım	Siemens	Vodafone
Dia Holding	Karadeniz Enerji	Superonline	Yapı Merkezi
Diler / Yazıcı Demir Çelik	Key Mühendislik	ŞA-RA Enerji	Zorlu Enerji
Ege Yapı	MacLean Electrical	Taisei	
Elco Contracting & Services	MC Sistem	Technip	



PRESTIGIOUS PROJECT REFERENCES

Türk Prysmian Kablo ve Sistemleri A.Ş. yielded the cable infrastructure of several prestigious projects in Turkey and also worldwide.

SOME REFERENCE PROJECTS FROM 2015

Antalya Arena:

Turkey's First Energy Producing Sport Complex

Ayşegül Sultan, KPS10:

Turkey's Biggest Energy Ship

Bilkent Integrated Health Complex:

Europe's Biggest Health Complex

Çamlıca Mosque:

Biggest Mosque in the history of Turkish Republic

SOME REFERENCE PROJECTS FROM 2014

Beşiktaş Vodafone Arena, İstanbul:

Turkey's First Smart Stadium

Kayseri Organized Industrial Zone:

Turkey's Biggest Solar Panel Farm

Tema İstanbul, İstanbul:

"Best Mixed Project" from Sign of the City Awards

Trabzon Akyazı Arena:

Turkey's First Self-Cleaning and Air Pollution Decreasing Stadium

SOME REFERENCE PROJECTS FROM 2013

Avrasya Tunnel Project, İstanbul:

The Most Modern Infrastructure Project Connecting The Continents

İstanbul Tramvayı, İstanbul:

Turkey's First Local Tram

Mercury City Tower, Rusya:

Europe's Tallest Building

Prime Mall, Gaziantep:

World's Best Project Award (Shopping Mall)

SOME REFERENCE PROJECTS FROM 2012

Algida Ice Cream Factory, Konya:

World's First Leed Certificated Ice Cream Factory

Fuel to Electrical Car Transformation:

First Fuel to Electrical Car Transformation Project

GE -19 Tower Project:

First Tower Project Where Türk Prysmian Cables Are Used

Mercedes Buses:

Turkey's Highest Technology Buses

Shangri-La Bosphorus Hotel, İstanbul:

World's First Hotel Which Has 7 Floors Undersea

Sinan Erdem Sports Arena, İstanbul:

Turkey's Biggest Sport Arena

Spine Tower, İstanbul:

2012 Europe Best Office Architect Award

SOME REFERENCE PROJECTS FROM 2011

Ankara-Konya High Speed Train:

Turkey's First High Speed Railway Line

Fenerbahçe Ülker Sports Arena, İstanbul:

The Most Modern Indoor Facility of Turkey

İstanbul Sapphire Tower, İstanbul:

The Tallest Building of Turkey

Marmaray, İstanbul:

The Largest Infrastructure Project Connecting Europe to Asia

Türk Telekom Arena, İstanbul:

The Newest and High Technology Football Stadium of Turkey

Zorlu Center, İstanbul:

Master Planning - Cityscape Architectural Awards



2015 ECONOMIC OVERVIEW

World money markets followed major central banks policies in 2015. Ending year round expectations FED raised the interest rates for the first time in last 9 years in mid December Turkish Lira which has become one of the weakest performers among emerging market currencies has gained strength and seen 2,9010 just after FED announcements about rate increase than closed the year at 2,9128 increasing by 25.4% on an annual base. Euro area economies gave favorable results in December annual inflation has turned positive both in October and December. Bank of Japan kept the amount of liquidity being injected into the economy unchanged. European Central Bank and Bank of Japan continued to implement expansionary monetary policies.

In the fourth quarter of 2015 consumer price inflation increased by about 0.86 points quarter on quarter to 8.81% overshooting the projections and the uncertainty band around the year end inflation target. Unprocessed food prices were the main drivers of this higher than forecasted rise in annual inflation. In the last quarter despite the decline in USD denominated import prices cost pressures on inflation continued due to food prices and Turkish lira depreciation throughout 2015. These rising cost factors limit the improvement of the underlying trend of core inflation.

The downtrend in commodity prices in international markets mainly in oil prices continued in the last quarter of 2015. Stemming mostly from lack of demand from China and the other developing countries, this trend caused decrease in fx based import prices.

In 2015 export volume declined by 8.7% compared to the previous year to USD143.9 billion and imports contracted by 14.4% on yearly base to USD207.2 billion, foreign trade deficit stood at 63.3 billion in 2015. In addition to weak performance of EUR / USD parity fall in the exports to the near and Middle Eastern countries played an important role in this result. Eurozone countries Germany, UK, Italy and Iraq have become major export countries of Turkey in 2015. Biggest exporter industries were automotive, machinery, stones and metals respectively.

12 month cumulative current account deficit narrowed to USD34.7 billion the lowest since September 2010 presented a better outlook compared to last year. Current account deficit which was USD5.8 billion in Nov. 2014 declined to USD2.1 billion in same month of 2015.

Turkish Central Bank kept one week repo rate, the overnight lending rate and overnight borrowing rate unchanged at 7.5%, 10.75% and 7.25% respectively in last quarter of 2015. One week repo auctions continued to be the main tool for the CBRT funding.

According to GDP data of the third quarter of 2015 economic activity improved and GDP grew steadily by 1.3% and 4% on quarterly and yearly basis respectively.



2016 ECONOMIC EXPECTATIONS

The upcoming inflation outlook is expected to depend on both the volatility in energy and unprocessed food prices and the effects of the global market uncertainty on inflation expectations. In addition the large adjustment made to net minimum wages for 2016 will have an impact on inflation. Therefore inflation is expected to remain high for a while in next year.

With regard to 2015 annual averages of oil prices, crude oil price assumptions were reduced from USD54 to USD37 for 2016 by Central Bank of Turkey. Taking into consideration that sanctions on Iran are lifted oil prices may be expected to decrease more in next year.

Current indicators hint at a milder course in consumption coupled with a slight increase in investment in the fourth quarter of 2015 compared to the previous quarter. In the October - November period industrial production stood 0,6 percent above the third quarter average. Analysed together with the indicators of December it is expected that industrial production will display a milder increase in last quarter compared to third quarter. Similarly, sales production and import indicators regarding domestic demand also suggest a moderate contribution of the final domestic demand to growth.

In the upcoming period, it is envisaged that the domestic demand will provide a slightly larger contribution to growth and the rising demand from the European Union countries will continue to improve exports. The recovery in investor and consumer confidence led by waning domestic uncertainties, the room for spending amid the fall in oil prices and the effects of the recent wage developments on purchasing power are projected to boost domestic demand.

On the foreign demand front, geopolitical developments pose a downside risk, yet the trend of rebound in the European economy coupled with the market-shifting flexibility of our exports cap this risk. In fact, exports towards European Union countries have recently recorded a remarkable acceleration. Moreover, improvements in the terms of trade mainly led by the sharp fall in commodity prices, accompanied by the sluggish course of consumer loans support the improvement.



2015 SECTOR ASSESSMENT

Sustaining the growth trend it took up in year 2009, worldwide cable consumption reached 16 million tons, with 114 billion Euro turnover in 2014 and further grew, albeit little, in 2015. On product group basis, while the decrease in demand for external copper telecom cables continued, the demand for optic fiber cables have considerably increased with limited increase in the demand for energy cables. While the cable consumption of certain countries including China, Russia, Brazil and Japan decrease, the increases seen in Europe and America positively affects the sector. As a result of the stiffening competitive conditions, a considerable portion of worldwide cable production began shifting to developing countries as of 2015.

Public sector infrastructure and construction spending, which was the propelling power behind the growth of Turkey's construction industry in 2013, decreased drastically in 2014 but began recovering in 2015 although the growth trend was limited. Thanks to the positive movement in the last 3 years of the private sector building construction and important superstructure projects, Turkish construction sector grew by 2.9% in 2014, which was far from the 7.7% growth it achieved in 2013, and continued its positive growth in late 2015 despite the small regression earlier in the year. Despite the regression seen in cement sales in 2015, approximately 10% increase in housing building construction affirms this.

While Turkey's established electric power capacity was 69,519 MW by the end of 2014 according to figures disclosed by TEIAS, it increased by approximately 3.6% by the end of 2015, reaching 73,148 MW level. During the aforementioned period of time, the number of power plants also increased to 1,481 from the previous 1,126. Although natural gas and mineral coal power plants accounted for majority of Turkey's power production so far, hydroelectric power plants became ranking in the top in the recent years and Turkey's use of renewable energy resources have been increasing on daily basis. Hydroelectric (HES) and geothermal (GES) power plants that have been constructed in recent years coupled with increasing use of wind power (RES) and solar power farms (GES) are important indicators of the priority placed on renewable energy. Nevertheless, ongoing constructions of some prominent projects including but not limited to Sinop and Akkuyu nuclear power plants, new Istanbul airport, 3rd bridge over the Bosphorus and Eurasia tunnel, in addition to investments made in railroad infrastructure and automotive industry are clear indications that Turkey will become one of the eminent players in the region in the field of energy.

According to data made available by the Information and Communication Technologies Authority, number of broadband internet subscribers, which was 41.2 million in 2014, increased by 5.4% in the third quarter of 2015 in comparison to previous quarter, approaching 50 million level with an overall increase of approximately 25% in 2015. While the entire 6 million broadband internet subscribers used land lines in 2008, as of EOY 2015, approximately 80% of Turkey's broadband internet subscribers consisted of mobile users.

Penetration rate decreased by 0.3 points in comparison to previous quarter, regressing to approximately 15.1% level in Turkey that had 11,696,096 landline subscribers as of the end of 2015 Q3. However, there are 73,235,783 mobile subscribers in Turkey as of September 2015, which translates to approximately 94.3% penetration rate. This reveals the importance attached to mobile services.

Forecasting about company progress

Türk Prysmian Kablo ve Sistemleri AŞ., which is one of the companies of the Prysmian Group with strategic significance, consolidates its technological leadership and continues its works in the issue of developing and marketing products that are in compliance with the latest standards and regulations. Intense R&D works are being exercised in Mudanya Plant in the issue of producing products that comply with the standards and have a high performance, as well as finding solutions that secure an economic advantage for the end users and similar works will continue in the next period. On the other hand, common works are being exercised together with the **Mudanya R&D Center** and other R&D head offices making use of the R&D skills of the Prysmian Group and the development of the product range will be targeted by focusing on products with high added values that are used in special applications. The information and training meetings that are being held throughout Turkey in accordance with the initiative **"Attention! All Cables Are Not The Same.."** have been continued in 2015 as seminars and new actions and activities will take place also in 2016. In addition to all of these; obtaining **"ISO 27001 Information Security Management System"** certificate with full compliance, launching **"Customer Care Project"**, realizing another first in cable sector and obtaining **"TURKAK Certification"** and new enhanced fire test laboratory according to **"CPR-Construction Products Regulations"** are some examples of our technological investments in 2015.

While the growth in the internet and mobile market and developments in optic fiber cable technologies continued, although Turkey still has some considerable capacity in terms of copper telecommunication cables production, there is a certain regression in copper telecommunication cables sector due to transition from copper telecommunication cables to optic fiber cables.

Volatility of foreign exchange rates throughout 2015, events during the election process, economical and political uncertainties, coupled with the problems encountered with Russia, political developments in Iraq, Syria and other neighbors of Turkey as well as geopolitical risks continue and force cable sector to be more cautious. Turkish cable sector, which exports totaling to approximately 2 billion USD per year as per the data made available by TUIK, suffered a decrease of approximately 20% in 2015 in comparison to 2014. Although Turkish contractors continue to aggressively focus on other countries including Kazakhstan, Turkmenistan and Azerbaijan due to the problems encountered with Middle East and European countries, shrinking exports increased the focus on domestic market, resulting in even stiffer competitive conditions in the market. Nevertheless, positive developments achieved in the negotiations with Iran give Turkish manufacturers hope for emergence of a new exports market.

Sector's primary issues include the fact that the perception of quality and product standards are lower than those of European countries such as United Kingdom and Germany, inability in reaching the desired level in surveillance and audit operations, resulting in production and supply to market of non-compliant products that might endanger both lives and property, thereby adversely affecting the country's image. In order for us to live in a safer and more productive world, it is of increasing importance that high-performance solutions that would have advantages in terms of overall cost are preferred, that the sector is more informed in terms of use of the right cable types, that actions are taken in order to ensure the standards-compliance of the cables used throughout the market, and that the public is made aware of the inconsistencies of certain cables being supplied in Turkey.

Another big issue of the sector that has an increasing relevance recently is that manufacturers, contractors and end users have to manage their cash flows and risks more cautiously due to cash flow issues prevalent in the sector. Companies providing loan insurance drastically pulsed their limits down, which made doing business in this already challenging and risky environment even more difficult.

Nonetheless, comparing the sales made with manufacturers' R&D investments, it would be safe to assert that R&D perception is not high enough, that only a certain part of the sector keeps up with the international developments, and that certain custom made and high added value products are being imported from abroad. With the new arrangements that'll go in effect as of July 1, 2016, which will ensure that cables, will be rendered safe against fire manufacturers that are able to keep up with these standards will diversify their products focusing on products with greater added value while further increasing their chances in export markets.

R&D ACTIVITIES

Türk Prysmian Kablo ve Sistemleri A.Ş. meets its leadership in innovation and development at the energy and telecommunications cables sector with the latest technology users and it aims to develop its competitive power and it makes studies on product and system solutions which are efficient, active, superior and sensitive to the environment. The R&D Center at Mudanya Factory is one of the 17 centers within Prysmian Group R&D Family which is the leader in cable production and material technologies at the international platform. Mudanya R&D Center is pioneering the Turkish Cable Sector with its comprehensive infrastructure and activities performed in the sector.

Besides the **“Attention! All Cables Are Not the Same...”** project that is the most developed initiative of the Turkish Cable Sector which adopted the aim to raise awareness and educate users in the issue of low performance products not conforming to the standards that is one of the greatest problems of the Turkish Cable Sector, the **Prysmian Performance Test** project which examines cables in the view of conformance to standards, performance, reliability and economic advantages has been developed within year 2012 and announced to the sector with a wide range activity program. The studies related to this initiative have also been continued throughout year 2013. Therefore, due to positive feedbacks from the market and the users, the 3rd Stage of **“Attention! All Cables Are Not the Same...”** initiative has been realized and our examinations on the products at the market and our solution proposals related towards differentiating our products have been presented to the sector. When we arrived at year 2015, it was focused on Solar Cables and the sector was kept informed under the title **“Attention! All Solar (PV) Cables Are Not The Same...”** about the performance characteristics in solar cable selections and these were presented to the users by seminars and developed simulators.

Prysmian Group Turkey which increased its investments in technology and innovation with Mudanya R&D Center, targets to develop our country's competitive power by meeting users with high performance products together with technological innovations. The most important of these targets determined in the direction of this vision has been achieved by receiving a R&D center statute which is approved by the Ministry of Science, Industry and Technology in year 2015. Mudanya R&D center has proved once more that it is the research and development center in the sector which has the most comprehensive design, innovation and product development infrastructure.

Prysmian Group Mudanya R&D Center certified by the Ministry of Science, Industry and Technology is composed of six separate departments at an area of 5 thousand square meters. In the body of the R&D center, there exists Material Technologies Laboratory, Fire Test Laboratory, Telecom and Fiber Cables Test Laboratory and Innovation Office and Process Design and Prototype Development Office.

During the establishment of the R&D center, meetings with 17 R&D centers in the world have been made and information exchange has been done about procedures, system operation and common product development projects. Meanwhile, in issues of installation of infrastructure and development of technical hardware and programs, the experiences of the central R&D laboratory in Italy have been used.

Prysmian Group Mudanya R&D Center which signed a R&D Collaboration Agreement with Uludağ University also performs common studies with the Technology Transfer Office of the university.

For the fire tests laboratory which became compatible with European standards, a **“CPR – Construction Products Regulation”** infrastructure has been developed and the scope of the research and product development activities has been broadened. As an indication of the importance we give to fire performances, our new CPR laboratory has been taken in the scope of accreditation by Turkish Accreditation Institution (TÜRKAK).

Another achievement that Prysmian Group Turkey has made by its R&D Center in year 2015 is that the special fiber optical cables resistant to the hardest fire tests (Firetuf™) has completed the tests that independent certification institutions impose mandatorily. The article we prepared for the products developed has been submitted to the International Wire Cables and Connections Symposium (IWCS 2015) in USA which is one of the most prestigious organizations in the world and it has attracted considerable notice.

In addition to all these studies, field visits have been performed many times in order to meet with our customers and end users, solutions have been developed for important projects in Turkey and in our region, seminars have been organized and cable educations have been given in our universities. For the purpose of sharing our expertise more with the sector, many technical articles prepared by our R&D experts have been published at various sectorial publications and communications platforms.

As Prysmian Group Turkey R&D Center, we will keep on developing product and system solutions which are innovative, latest technology product, user friendly and high performance in the future and keep on carrying the Turkish Cable sector one more step further every day starting from our mission **“Linking Turkey To The Future.”**



ATTENTION! ALL CABLES ARE NOT THE SAME...

Türk Prysmian Kablo ve Sistemleri A.Ş., after almost two years of market analysis and product tests and development launched the biggest awareness and educational campaign in the history of the Turkish cable market.

Despite an increasing number of fires (in Istanbul, +32% only in '11 vs '10), more and more multi-storey buildings (+30% between '07-'11) and a general inconsistency in terms of quality, performance, safety and ease-of-use of the cable the market research showed that the general perception is that all cables are the same in the Turkish market. This was the starting point for two years' development of this comprehensive project of Türk Prysmian that heavily involved local and HQ R&D, marketing and sales.

Despite the cost of cable represents on average less than 1% of total cost of construction projects, choosing the right cable makes a significant difference. Türk Prysmian, with its belief to the need of living in a safe and more efficient world, in order to increase the awareness of Turkish cable sector, started a new initiative named **"Attention! All Cables Are Not The Same..."**. The focus of this project is to raise the awareness that all cables are not the same and to educate all the stakeholders in the market that it is important to be careful when choosing the cable solution and brand to have a safe, good performance and importantly save on the total cost of ownership.

The project started by an in-depth investigating the current market situation and to understand in detail the work of the electricians, project companies and installers. After this, R&D developed a comprehensive number of cable tests that do not only cover geometrical tests, electrical tests, mechanical tests and performance tests but also "usability" test that calculates the economical impact of ease and speed of installation. Throughout the period R&D did many tests on different brands and cables and continuously improved the performance of the Prysmian Group solutions.

To support the initiative a fully integrated communication and educational campaign was developed with a strong key visual and a simple but strong headline "Attention! All Cables Are Not The Same...". Additionally, a dedicated web site www.prysmianperformanstesti.com is developed, advertisements are published in selected trade magazines, co-branded communication materials are prepared with key business partners, PR/ press campaign is realized, an iPhone App as well as a strong social media campaign on facebook, twitter, youtube, daily motion and vimeo are developed.

During "Attention! All Cables Are Not The Same..." initiative, 3 waves were completed by the end of 2014. In 2015, 4. wave of the project was launched under the name of "Attention! All Solar (PV) Cables Are Not the Same..." and several seminars in different cities of Turkey were organized. In these seminars short and long term advantages of the Solar (PV) cables were shared with the participants. In December 2015, the 5th wave of the initiative was launched and two seminars held in Mudanya for the Members of Bursa and İzmir Chamber of Electrical Technicians. As part of the process, the initiative is shared directly with approximately 2700 people in Adana, Ankara, Antalya, Bursa, Çankırı, Eskişehir, İstanbul, İzmir, Kayseri, Konya, Mudanya, Sakarya, Trabzon and Erbil-Iraq. Moreover, 124 different point-of-sales across 14 different cities of Turkey are decorated with promotional materials, A-Team distributors' windows are branded with the initiative's posters and our company's stickers, the initiative's communication materials are sent to the sector professionals, projects companies, contractors, installers, subdealers and many people from the sector once again. Additional to all these activities, a software programme named as KABLOMATİK™ that allow the user to make cable calculations in a very practical way and to save on time is developed. KABLOMATİK™ application is available free of charge on Android, Windows and Blackberry with the name "Kablomatik" and is ready under "Prysmian Performans Testi" application on iPhone.

As a following step of this initiative, Türk Prysmian accredited the reliability of the results of the fire tests realized in its laboratories to evaluate the performance of the cable under fire to Turkish Accreditation Agency. Türk Prysmian with this certificate once again putted its sign to a "first" in its sector. It's proved that the results of the fire tests done in Türk Prysmian's laboratories, R&D center which is one of 17 R&D Center within Prysmian Group are appropriate and reliable.

Finally in 2015, Prysmian Group Mudanya R&D center has registered as the most comprehensive design, innovation and product development infrastructure by Ministry of Science, Industry and Technology. Türk Prysmian with this certificate once again put its sign to a "first" in its sector, proving that the results of the fire tests done in Türk Prysmian's laboratories, R&D center which is one of 17 R&D Center within Prysmian Group are appropriate and reliable.

Türk Prysmian, is proud of realizing a "first project" in Turkish cable sector with its project developed in the context of this initiative "Prysmian Performance Test" (PPT) project that keeps the same speed since 2012.

PRYSMIAN PERFORMANCE TEST

PPT results show that the Prysmian Group solutions, not only ensures you safe and higher performance but also allows you to work faster reducing the labour cost by up to 50%* and reducing the total cable cost by up to 12%*. The main advantages of the right cable decision are safety, performance and economic advantage.

SAFETY: Throughout the lifecycle of the cables, they are required to ensure that the transmission function; is one-to-one associated with the quality of the materials used, the design and production technologies. By use of a cable is not correctly selected or manufactured outside the standards, such as losing its function in a short period of time, can cause electrical leakage and fire. Projects that increase the value and safety of cables are used in this context is an essential element.

PERFORMANCE: In case of, flame retardant cables, with the spread of flame around for cables is critical to keep to a minimum. However, low toxic smoke gas extracting feature prevents poisoning. Low smoke density and increasing the visibility of vital importance in order to facilitate the evacuation process. In addition, during a fire, fire alarm, emergency exit lighting, ventilation fan, fire, water pump, fire systems, such as lift cables used to carry on the function saves lives. According to research, the main cause of fire deaths (70%), smoke and gases resulting from the combustion of materials. On the effects of the spread of fire and smoke the best-known example of a fatal, resulting in the death of 17 people in 1996, Düsseldorf Airport fire disaster. cable installed in the trays burned and as a result of the combustion of electric cables, passengers have been exposed to the deadly toxic smoke. Therefore, in order to ensure the safety of life and property in case of fire high performance cables should be preferred.

ECONOMIC ADVANTAGE: To comply with construction standards and high performance cables, as well as in case of fire, use ease is also important. Cables during installation, create efficiency on labor and on-time advantage. Cable workmanship, comfortable stripping of the outer sheath vessels, filling materials over the cores does not remain within the cable during installation, installing cables easily through the pipes increases the efficiency of labor.

www.prysmianperformanstesti.com

*It is based on the reports by independent bodies.

CORPORATE SOCIAL RESPONSIBILITY

Since 1964, the first day of its establishment, Türk Prysmian Kablo ve Sistemleri A.Ş. works on multiple themes in corporate social responsibility. When the last 10 years of the company are examined, it's very obvious that Türk Prysmian focuses particularly on educational and art projects and at the same time takes as its responsibility to meet the public needs.

In 2008, Türk Prysmian supported the **"Ulubat Lake Management Plan, Stork Friendly Villages Project"**. As part of the project, Türk Prysmian aimed to renovate the electricity system of Eskikaraağaç Village in Karacabey provincial district in collaboration with the village to replace the bare copper conductors with insulated wires and eventually prevent the storks that hit the village's power lines from injuries.

Türk Prysmian, during the same year, supplied the cable infrastructure and donated the cables for the **Turkish Hearing and Speech Rehabilitation Foundation** to build a center for deaf children aged 0 - 6 who are not provided with proper education.

In addition to these projects, in 2008, Türk Prysmian published a book titled **"Tirilye - from past to present"** written and photographed by travel writer Reyhan Tüvi to contribute to the promotion and the cultural heritage of the region where Türk Prysmian's factory is located.

Türk Prysmian also renovated the **Balabancık Village Primary School** in Bursa where the company's factory is located. Following the reopening ceremony in October 7, 2009; education in the school resumed. The project has enabled Balabancık Village's students to be educated in their own village instead of commuting to another village.

Türk Prysmian provided the cable infrastructure and donated the cables for **Istanbul Technical University's Solar Car** which participated in the World Solar Challenge in Australia - one of the most important races of its kind in the world. Istanbul Technical University's Solar Car Team formed by mechanical, electrical and organizational subgroups that first got together in 2004 returned from the 4000km race with the "Best Newcomer Award".

Furthermore, Türk Prysmian donated some equipment to **Yakacık Hatice Abbas Halim Kindergarten's** gym to contribute to the renovation process of the school in 2009, aiming to ensure that the children have the chance to exercise during their education.

Türk Prysmian and Mimar Sinan Fine Arts University reached a mutual agreement in late 2009 to carry out the second **"Cable in My Life Art Workshop"** which was first held in 2008. The purpose of the workshop which took place on April 7-14, 2010 with the participation of students from Mimar Sinan Fine Arts University was for the students to individually create unique pieces of art using different types of industrial cables as well as to provide contribution to education and arts. The art works created by the students were exhibited at Prysmian's Mudanya factory from April 15 to May 21, at Mimar Sinan Fine Arts University from May 27 to June 11 and at Rahmi M. Koç Museum from July 13 to July 27.

In 2011, Türk Prysmian provided the cable infrastructure of "Sahne Hal", the stages built by **"Tiyatro Hal"** with their own means. By donating the cables for "Sahne Hal" located in Mecidiyeköy, Istanbul, Türk Prysmian once again showed its regard for arts.

Türk Prysmian continued to support various **educational institutions** in 2012, namely Hatice İsmail Hakkı Kayan Primary School, İkbâl-Betül-İhsan Çilingir Primary School, Ahmet Rüştü High School, and NOSAB Primary School.

Giving priority to the development of Mudanya region where the factory is located, Türk Prysmian, in collaboration with Mudanya Municipality, Mudanya Police Department, Mudanya Justice Department, Tirilye Youth and Sports Directorate, Mudanya Tuberculosis Control Association, and 911 Search and Rescue Association, carried out a number of projects in 2012 to ensure that the **residents** are better served.

Aside from the contributions provided to the residents in the region, Türk Prysmian has also continued to support its **employees** and donated 38 computers.

In 2013, Türk Prysmian, in **"Fire Prevention Week"** organized a visit with its employees' children and students from Hatice İsmail Hakkı Kayan Elementary School. During the visits organized between 28th of September and 1st of October, the children while having fun, found the opportunity to learn useful information about the fire department.

Also TL55,750 was donated to **various institutions** in 2013.

Türk Prysmian giving 23 **scholarships to its employees' children** in 2013-2014 educational year, gave additional 26 scholarships to its employees' high school and university students' children in 2014-2015 educational year.

Additional to that, the company **donated in kind** Çamlıca Anadolu High School, Mudanya 12 Eylül Primary School, NOSAB Primary School and supported the residents of the region where its factory is located by giving TL7,366 **cash donation** to various institutions including Mudanya Safety Department.

Prysmian Group Turkey has joined Bursa Marathon which is organized to provide training support to the children in TEGV Bursa in 2015. A corporate track team was formed to serve this good purpose. Türk Prysmian will definitely to be a part of similar projects and activities.



FINANCIAL ANALYSIS



OVERVIEW

We have completed the 2015 operation year with success through the implementation of company policies and strategies despite the economic recession in Europe, the negative movements of risk perception towards developing countries and the fluctuations in exchange rates in our country in particular.

Below are the **Important Financial Issues requiring Attention:**

- **Total Assets...** 17 million TL cash increment through improvement in feasibility and business capital (from 640,97 Million TL to 658,12 Million TL)

- **Revenues...** 989 million TL with an increase of 9.7% compared to the previous year, (Previous year's revenues 961 million TL)
- **Gross Profit...** An increase of 8,9% through increased sales,
- **R&D...** 1,9 million TL of funds to improve product quality and innovation,

These solid developments have been achieved primarily through the consistency and commitment in the Company's policies towards strategic goals. The detailed balance sheet and income table for the 2015 operation year has been provided in the Independent Auditor's Report and below are the explanatory information on the balance sheet and income table.

ASSETS

Our cash balance is TL15,340, comprised of 2.378 of Turkish Liras and TL12,962 of foreign currency. Our current deposits in the bank amount to 159.689.215 TL, which reveals a decrease by 9.8% compared to the previous year. The total amount of cheques received is TL3,087,328.

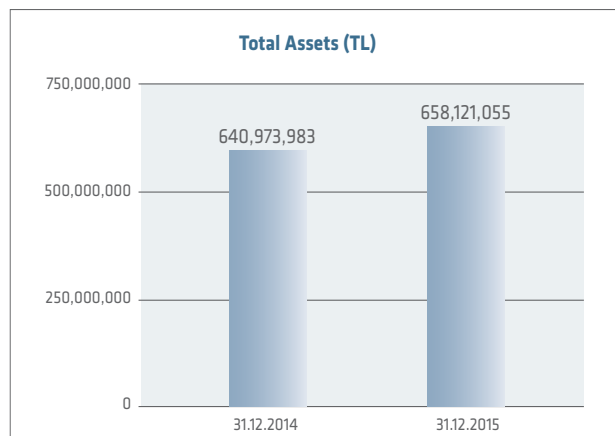
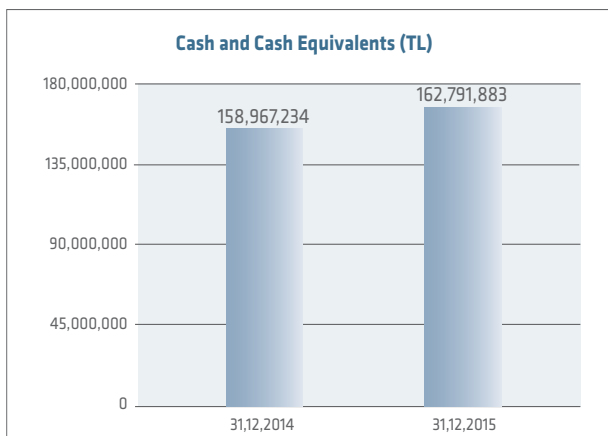
Our short term trade receivables equalled to TL209,025,338. The average collection period for the receivables was 30-60 days.

A total of TL1,912,250 rediscount has been calculated for the total amount of TL113,584,665 balance in the notes receivables account. This entire amount is the provision reserved within the year with balances from the previous years. The provisions reserved for the collection risks of domestic and foreign receivables is TL33,855,055. The balance of receivables from affiliates is TL8,431,089, comprised in full amount of the receivables from associated companies.

Our stocks amounted to TL110,513,294. Of the stocks, the primary materials and supplies totalled to TL24,988,453, with semi-finished products of TL27,417,521, trade goods of TL5,828,309 and finished products of TL58,805,175. The provision reserved for stocks amount to TL6,526,164.

The total amount of other current assets was TL55,520,434, consisting of TL7,594,268 for advances given for purchase orders, TL10,991,291 for Tax Office receivables, TL35,795,051 for deferred VAT and the remaining amount for other various current assets.

The total net amount of tangible assets is TL43,638,291 after adding the additional amounts to net values of real assets at the beginning of the year and deducing the outflows and amortization. Intangible assets amount to TL272,049.



LIABILITIES

In general, the primary financial instruments used by the Company are the operation capital and bank loans. As of 31 December 2015, there are no financial liabilities resulting from bank loans.

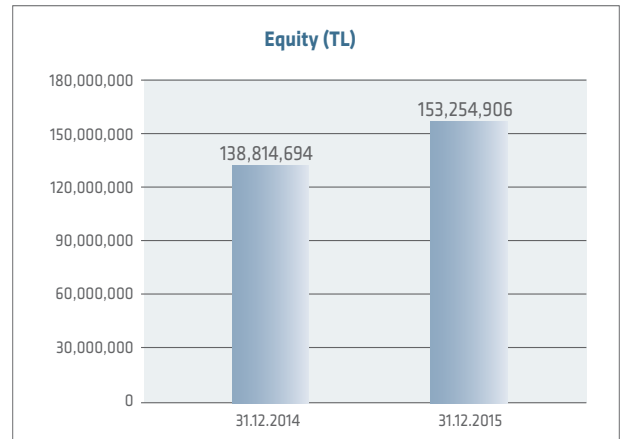
Our trade liabilities were TL423,858,022. Of the trade liabilities, the liabilities to suppliers comprise of TL400,492,079 for payables to non-affiliated suppliers and TL23,365,943 for payables to abroad associated suppliers.

TL6,116,361 is the provision for the seniority pay at the end of accounting period reserved to be paid to staff members, as stipulated in the Labour Law, calculated through the upper limit of TL3,541.37 in 2015.

As for legal reserves, the primary legal reserve is allocated in the amount of 5% of the net profit for each year until the amount is equal to 20% of the paid capital. In this context, the balance of current legal reserve at the end of accounting period is TL4,421,732.

The amount of Paid Capital is TL112,233,652 as of 31 December 2015.

The net term profit in 2015 operation year is TL13,833,012.



INCOME TABLE

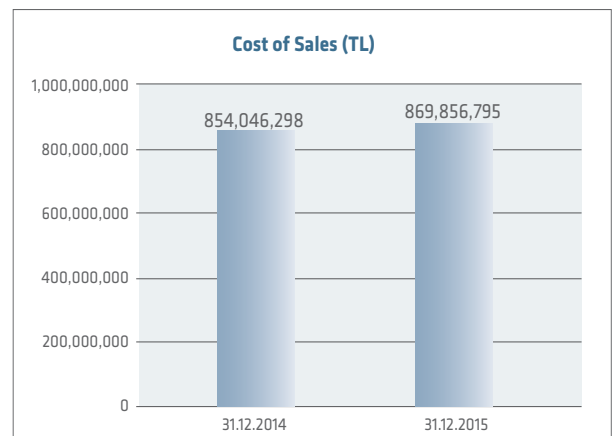
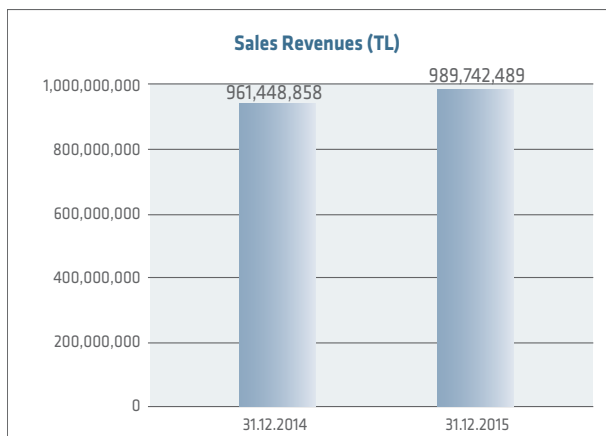
Gross sales were raised by approximately 9.4% compared to the previous year, reaching TL1,481,530,765. Our domestic sales were TL1,194,734,351 and export sales were TL286,796,414. The sales deductions amount to TL491,788,276.

The cost of sold goods with total value of TL869,856,795 equals to 87% of net sales. The cost of goods sold is comprised of the expenses for raw materials and auxiliary materials, direct labour and general production expenditures, reserve for amortization and the variations in semi-finished product and product stocks.

The operation costs for this year was around 8% of net sales. In this context, the R&D expenses amounted to TL1,967,910, in line with Company's focus on research and development.

The marketing, sales and distribution costs were TL47,542,000, around 4.8% of net sales, while administrative expenses were TL33,586,919, around 3.4% of sales expenses.

The net real operating income and costs are related to the transaction costs for the forward contracts against currency impact and currency difference.



THE STATEMENT OF RESPONSIBILITY & DIVIDEND DISTRIBUTION PROPOSAL

TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş.

THE STATEMENT OF RESPONSIBILITY AS PER CAPITAL MARKETS BOARD'S COMMUNIQUE SERIAL:II NUMBER 14.1 ARTICLE 9

THE BOARD OF DIRECTORS RESOLUTION RESOLVED ON ACCEPTANCE OF FINANCIAL STATEMENTS AND FOOTNOTES:

MEETING MINUTES DATE : 01/03/2016 - 01/03/2016
MEETING MINUTES NUMBER : 2016/03 - 2016/05

We hereby declare the following;

- a) January 1, 2015 to December 31, 2015 consolidated financial statements of our company, prepared in comparison with the previous year, footnotes and January 1, 2015 to December 31, 2015 annual report thereof were reviewed by us;
- b) To the best of our knowledge in the field and area of our responsibility within the Company, financial statement and annual report include no misinterpretation or false remarks or explanations in any of the important aspects as of the date of remark;
- c) To the best of our knowledge in the field and area of our responsibility within the Company, financial statements, which were prepared in line with financial reporting standards in place, reflect the truth pertaining to assets, obligations, financial standing, and profit and loss standing of the enterprise, and annual report reflects the truth, along with all important risks and uncertainties that surround the enterprise, pertaining to performance and progress of business and activity results.

TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş. BOARD RESOLUTION

Resolution No. : 2016/09

Date: 07/03/2016

DIVIDEND DISTRIBUTION PROPOSAL

In consideration of the provisions of Turkish Commercial Code, Capital Market Legislation, Capital Market Law, Capital Market Board Regulations/ Decisions/Directories, Corporate Tax Law, Income Tax Law, Tax Procedural Law and other relevant legal statutes, the relevant provisions of the Articles of Incorporation of our Company and the "Profit Distribution Policy"; it has been examined and evaluated that;

- The generated "Net Profit of the Fiscal Year" has been TL15,087,998.- according to the financial statements for the fiscal year 01.01.2015 - 31.12.2015, the submission principles of which have been defined as per the relevant decisions of the CMB and which has been subject to independent auditing and drawn up in accordance with the provisions of the "Communique of the Principles of Financial Reporting in the Capital Market" (II-14.1) of the CMB and in compliance with the Turkish Accounting Standards and Turkish Financial Reporting Standards published by the "Public Oversight, Accounting and Auditing Standards Authority"
- The "Net Profit of The Fiscal Year" has been TL21,173,436.- in the fiscal year 01.01.2015 - 31.12.2015 as per company statutory records kept within the scope of TCC and TPL.
- It has been defined within Dividend Guideline published in the Weekly Bulletin dated 27.01.2014 and no. 2014/2 of the CMB that;
 - i. Net distributable profit of the relevant fiscal period is derived from the excess of of net profit for the fiscal year after the previous year's losses and general legal reserve (I. Primary Legal Reserve) are subtracted.
 - ii. The upper limit of the dividends to be distributed has been defined as the distributable amount of the relevant dividend sources included in the statutory records,
- Accordingly, Net Distributable Profit of The Fiscal Year, in other words; The Upper Limit of the Dividends to be Distributed is TL6.934.290.- after subtracting previous year's TL13,874,183.18.- loss (in the fiscal year 01.01.2014 31.12.2014) and general legal reserve (I. Primary Legal Reserve) calculated as TL364,963.-.

Therefore it has been unanimously resolved to;

Distribute the dividend of TL6,814,053.- which constitutes 6.07% of the issued capital, from the net distributable profit of TL6,934,290.- remaining after deduction of the II. Statutory Reverse TL120,237.-, to our shareholders in cash, as of 15 April 2016; thus distributing net TL0.051606135.- per share with a nominal value of TL1.-, following of deduction of 15% tax to be calculated over gross TL0.060713101.-,

To retain the balance of TL7,908,982.- after subtracting the distributable dividend and legal reserves from TL15,087,998.- Net Profit of The Fiscal Year as the extra-ordinary reserve,

To submit above dividend distribution proposal to the approval of the General Assembly regarding the fiscal year 2015 and notify the shareholders.

CHAIRMAN Halil İbrahim Kongur	VICE CHAIRMAN Erkan Aydoğdu
MEMBER Fabio Ignazio Romeo per procuration DRAKA HOLDING B.V	MEMBER Hans Gunnar Staffan Hoegstedt
MEMBER Alberto Maria Tagliabue	MEMBER Ayşe Canan Ediboğlu
MEMBER Ali Aydın Pandır	MEMBER Mehmet Emin Tutan

ORDINARY GENERAL ASSEMBLY AGENDA

1. Opening of the Meeting and formation of the Meeting Council,
2. Authorization of the Meeting Council to sign the Minutes of the General Assembly Meeting,
3. Review of the Reports issued by the Board of Directors and Independent Auditing Company DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Financial Tables of the Company for the Fiscal Period between 01.01.2015 – 31.12.2015,
4. Discussion and approval of all the financial tables, reports and accounts of the Fiscal Period between 01.01.2015 – 31.12.2015 which are prepared by the Board of Directors and Independent Auditing Company pursuant to the CMB, TCC, TPL and all other related legislation, release of each member of the Board of Directors,
5. Discussion and voting of the proposal made by the Board of Directors in connection with the distribution of the profit made in the Fiscal Period between 01.01.2015 - 31.12.2015,
6. Due to the end of the mandate of the Board Members, Election of the New Board Members and determination of the compensation,
7. Due to the expiration of the previous approval for the registered capital ceiling; Discussion and approval of the amendment of the article 6 of the Articles of Incorporation of the Company as indicated in the attached draft that has been approved by Capital Market Board and Ministry of Customs and Trade, to determine the ceiling registered Capital of the Company as TL135,000,000.00- and to give permit our Board of Directors when it deems necessary to increase the issued capital up to the ceiling of the authorised capital in accordance with Capital Market Law for the period between 2016 – 2020 (5 years) by way of issuing registered and bearer share certificate,
8. Furnishing information to the General Assembly on the donations given during the year 2015 and obtaining approval in this respect, determining the upper limit of the donations for 2016,
9. Furnishing information to the General Assembly pursuant the CMB legislation, on the guarantees, liens and mortgages given to the third parties,
10. Approval of the Independent Auditing Company to audit the activities and accounts of 2016 in frame of Capital Market Board Regulations and 6102 numbered Turkish Commercial Code which is selected by the Board of Directors based on the suggestion of Audit Committee,
11. Authorization of the shareholders who have the control of management, the members of the Board, the senior officers, and their spouses, consanguinities and affinities up to second degree, to perform the transactions mentioned with the Corporate Governance Principle 1.3.6 and 1.3.7 under the CMB communique Serial No:171 and authorization of relevant persons for the such transactions and their allowance to compete; furnishing information to shareholders if such transactions have already been performed during this period,
12. Approval of the activities mentioned under Article 14 of the Articles of Association of the company realized until the General Assembly and grant prior authorization for the same activities to be realized after the General Assembly,
13. Recommendation and Adjournment.



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR REPORT
RELATED WITH THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

Türk Prysmian Kablo ve Sistemleri A.Ş. To the attention of the Board of Directors

Report related with the Audit of the Annual Activity Report of the Board of Directors in accordance with the Independent Audit Standards

We have audited the annual activity report of the company Türk Prysmian Kablo ve Sistemleri A.Ş. and its affiliates ("Group") related with the fiscal term that ended on December 31, 2015.

The Responsibility of the Board of Directors related with the Annual Activity Report

The Group management is responsible for the issuance of the annual activity report in compliance with the consolidated financial statements and reflecting the truth in accordance with Article 514 of the Turkish Commercial Code ("TTK") No. 6102 and the Communiqué of the Capital Markets Board ("SPK") in relation with the "Principles related with Financial Reporting in the Capital Market" No. 14.1; the company management is also responsible for the internal audit that is deemed to be necessary for the securing of such an activity report.

Responsibility of the Independent Auditor

Our responsibility is the issuance of an opinion related with the activity report of the Group based on the independent audit we have carried out in accordance with Article 397 of TTK and the Communiqué, if the financial information in the activity report is in compliance with the consolidated financial statements of the Company or not and if its reflects the truth or not.

The independent audit we have carried out has been effected in accordance with the Independent Audit Standards ("BDS") that is an integral part of the Turkish Audit Standards published by the Public Oversight Accounting and Auditing Standards Authority. These standards require that the independent audit will be planned and carried out in such a way that the compliance with ethical provisions is secured and a reasonable guarantee will be established in relation with the fact that the financial information in the consolidated financial statements is in compliance and that they reflect the truth.

The independent audit includes the application of the audit procedures in order to obtain the audit evidence about the historical financial information. These procedures will be selected in accordance with the professional judgment of the independent auditor.

We believe that the independent audit evidences which we have achieved during the independent audit form a sufficient and proper basis so that we can form our opinion.

Opinion

From our point of view, the financial information in the annual activity report of the Board of Directors are in compliance with the audited consolidated financial statements in all significant aspects and reflect the truth.

Other Obligations arising from the Legislation

No issues have been determined that have to be reported in relation with the non-continuance of the activities of the Company in the foreseeable future in accordance with Article 402, Paragraph 3 of TTK and BDS 570 "Continuity of the Company."

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



Özkan Yıldırım, SMMM
Responsible Auditor

Istanbul, March 1, 2016

INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR REPORT DATED DECEMBER 31 2015

Türk Prysmian Kablo ve Sistemleri Anonim Şirketi
To the Board of Directors;

Report on Consolidated Financial Statements

We have audited the enclosed consolidated financial tables of Türk Prysmian Kablo ve Sistemleri Anonim Şirketi (hereinafter the "Company") and its affiliates (collectively the "Group") consisting of financial statement dated December 31, 2015, and consolidated profit and loss statement and other comprehensive income statement, consolidated equity changes table, consolidated cash flow table, footnotes summarizing important accounting policies, and other explanatory notes for the period that ended on December 31, 2015.

Management's Responsibility Regarding the Consolidated Financial Statements

Group management is responsible for having consolidated financial tables prepared in accordance with the Turkish Accounting Standards (hereinafter "TAS"), presenting them in a truthful manner, and enforcing the internal audit that they deem necessary in order to ensure that consolidated financial statements do not contain any significant erroneous or deceptive mistakes.

Responsibilities of the Independent Audit Firm

Our responsibility is to express our opinion regarding these consolidated financial statements based on our independent audit. Independent audit was carried out in compliance with Independent Audit Standards published by the Capital Market Board and in accordance with Independent Audit Standards, included in Turkish Audit Standards published by the Public Oversight Accounting and Auditing Standards Authority (hereinafter "KGK"). Aforementioned standards entail that ethical provisions are complied with and that independent audit is planned and carried out in such way that consolidated financial statements do not contain any significant errors.

Independent audit encompasses implementation of the audit procedures in order to obtain audit evidence regarding amounts and explanations included in the financial statements. Choice of these procedures, including but not limited to assessment of erroneous or deceptive mistakes that might constitute "significant error" in consolidated financial statements, is up to professional judgment of the auditor. While carrying out the risk assessments, independent auditor assesses the internal audit that is applicable on preparation and truthful presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances; however, such assessment is not intended to provide any insight with regards to the efficiency of the Company's internal audit. In addition to an assessment of presentation of the consolidated financial statements as a whole, independent audit also includes an evaluation to ascertain that accounting policies used and accounting forecasts carried out by the Company's management are appropriate.

We believe that the independent audit evidences that we obtained in the course of our independent audit constitute a sufficient and appropriate basis for our opinion.

Opinion

In our opinion, consolidated financial tables truthfully reflect the financial standing of Türk Prysmian Kablo ve Sistemleri Anonim Şirketi and its affiliates as of December 31, 2015, and their financial performance and cash flow up to the aforementioned date with all significant aspects in compliance with Turkish Accounting Standards.

Report Pertaining to Other Obligations under the Provisions of the Legislation

Auditors' Report on Early Risk Detection System and Committee, which is governed by the provisions of Turkish Commerce Code, Code No: 6102 (hereinafter "TTK"), Article 398, Paragraph (4), has been submitted to the Group's Board of Directors on February 26, 2016.

In reference to the provisions of TTK, Article 402, Paragraph (4), we haven't detect anything that could be construed as the book keeping and financial statements of the Group for the period between January 1st - December 31st, 2015, violates any of the financial reporting provisions of the TTK and those of the Articles of Association of the Company.

As per the provisions of the TTK, Article 402, Board of Directors provided us explanations we demanded as well as information we requested.

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

Özkan Yıldırım, Certified Public Accountant
Auditor in Charge

Istanbul, February 26, 2016

FINANCIAL STATEMENTS

TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş.
AND ITS AFFILIATES

INDEPENDENTLY AUDITED CONSOLIDATED FINANCIAL STATEMENT DATED DECEMBER 31 2015

[All sums are in Turkish Liras (TRY)]

	Footnote References	Current Period December 31, 2015	Previous Period December 31, 2014
ASSETS			
Floating Assets			
Cash and Cash Equivalents	29	162,791,883	158,967,234
Trade Receivables		209,025,338	224,359,051
<i>Trade Receivables From Affiliated Parties</i>	3	8,431,089	4,573,264
<i>Trade Receivables From Non-Affiliates</i>	4	200,594,249	219,785,787
Receivables Under Construction Contracts	17	38,083,771	59,120,147
Other Receivables	5	88,771	159,812
Derivative Instruments	24	4,228,269	14,184,693
Inventories	6	110,513,294	90,612,591
Prepaid Expenses	7	14,455,886	4,047,306
Assets Regarding Current Period Tax	22	17,406,000	11,352,198
Other Floating Assets	14	55,520,434	36,184,858
Long Term Assets			
Tangible Long Term Assets	8	43,638,291	41,808,361
Intangible Long Term Assets	9	272,049	80,469
Prepaid Expenses	7	365,805	97,263
Deferred Tax Asset	22	1,731,264	-
TOTAL ASSETS		658,121,055	640,973,983
LIABILITIES			
Short Term Liabilities			
Trade Payables		423,858,022	427,023,221
<i>Trade Payables to Affiliated Parties</i>	3	23,365,943	21,172,108
<i>Trade Payables to Non-Affiliates</i>	4	400,492,079	405,851,113
Payables in Form of Employee Benefits	12	1,984,218	2,216,491
Other Payables	5	61,532	135,144
<i>Other Payables to Affiliated Parties</i>		-	-
<i>Other Payables to Non-Affiliates</i>		61,532	135,144
Derivative Instruments	24	5,567,141	6,494,681
Tax Obligation on Period Profit	22	8,956,808	-
Deferred Revenues	7	17,023,964	9,568,192
Short Term Provisions		12,558,898	2,674,437
<i>Short Term Provisions for</i>			
<i>Employee Benefits</i>	12	2,908,464	1,288,351
<i>Other Short Term Provisions</i>	10	9,650,434	1,386,086
Other Short Term Liabilities	14	5,808,224	6,644,370
Long Term Liabilities			
Long Term Provisions		8,107,694	9,734,055
<i>Long Term Provisions for</i>			
<i>Employee Benefits</i>	12	6,116,361	7,662,612
<i>Other Long Term Provisions</i>	10	1,991,333	2,071,443
Deferred Revenues	7	20,939,648	36,797,048
Deferred Tax Liability	22	-	871,650
EQUITY			
Paid-In Capital	15	112,233,652	112,233,652
Not to be Reclassified in Profit or Loss		(1,157,600)	(1,764,800)
Accumulated Revenues and Expenses of Other Nature			
<i>Revaluation Losses for Defined</i>			
<i>Benefit Plans</i>		(1,157,600)	(1,764,800)
Limited Profit Reserves	15	4,421,732	7,400,324
<i>Legal Reserves</i>		4,421,732	4,421,732
<i>Other Reserves</i>		-	2,978,592
Past Years' Profits		23,924,110	9,135,044
Net Period Profit		13,833,012	11,810,474
TOTAL LIABILITIES		658,121,055	640,973,983

Enclosed footnotes are an integral parts of these financial statement.

TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş.
AND ITS AFFILIATES

INDEPENDENTLY AUDITED CONSOLIDATED PROFIT AND LOSS STATEMENT AND OTHER COMPREHENSIVE INCOME STATEMENT

[All sums are in Turkish Liras (TRY)]

	Footnote References	Current Period	Previous Period
		January 1 - December 31, 2015	January 1 - December 31, 2014
PROFIT OR LOSS PORTION			
Revenue	16	989,742,489	961,448,858
Cost of Sales (-)	16	(869,856,795)	(854,046,298)
GROSS PROFIT		119,885,694	107,402,560
General Management Overhead (-)	18	(33,586,919)	(31,210,918)
Marketing Costs (-)	18	(47,542,000)	(42,640,318)
Research and Development Costs (-)	18	(1,967,910)	(1,746,149)
Other Revenues from Main Activities	19	70,780,435	21,870,808
Other Costs of Main Activities (-)	19	(87,821,049)	(39,506,735)
OPERATING PROFIT		19,748,251	14,169,248
Revenues from Investment Activities	20	286,855	152,626
PROFIT BEFORE TAX		20,035,106	14,321,874
Tax Liability		(6,202,094)	(2,511,400)
Tax Expenditure in the Period (-)	22	(8,956,808)	-
Deferred Tax Liability	22	2,754,714	(2,511,400)
PERIOD PROFIT		13,833,012	11,810,474
OTHER COMPREHENSIVE REVENUES / (EXPENSES)			
Not to be Reclassified in Profit or Loss			
Benefit Plans Defined			
Revaluation Gains / (Losses)		759,000	(1,681,000)
Deferred Tax (Loss) / Profit on			
Other Comprehensive Revenues		(151,800)	336,200
OTHER COMPREHENSIVE REVENUE / (EXPENSE)	21	607,200	(1,344,800)
TOTAL COMPREHENSIVE REVENUE		14,440,212	10,465,674
Profit per share	23	0.1233	0.1052

TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş.
AND ITS AFFILIATES
INDEPENDENTLY AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD OF JAN 1 - DEC 31 2015
[All sums are in Turkish Liras (TRY)]

	Footnote References	Current Period January 1 - December 31, 2015	Previous Period January 1 - December 31, 2014
A. Cash Flows Generated by Activities			
Net Profit Before Tax		20,035,106	14,321,874
Corrections:			
- Corrections for Amortization and Depreciation Costs	8-9	5,537,929	5,760,535
- Corrections for Cost of Bad Debts	4	8,063,665	1,692,273
- Corrections for Low Value Expense	6	4,735,949	166,877
- Corrections for Interest Revenues and Expenditure	19	(1,899,217)	(1,615,827)
Corrections for (Cancellation) / Expense of Long Term Provisions	10	(145,147)	277,826
Corrections for (Cancellation) / Expense of Short Term Provisions	10	8,264,348	828,901
- Corrections for Provisions of Severance Payments	12	1,152,749	955,042
Corrections for Premium / Unused Leave Provisions	12	1,620,113	(749,282)
- Corrections for Gains Resulting from			
Sales of Long Term Assets	20	(286,855)	(152,626)
- Corrections for Rediscount (Revenue) / Cost, net	4	(49,485)	235,877
- Corrections for Valuation of Derivative Instruments, net	19	9,028,884	2,332,083
Changes in operating capital			
- Corrections for Increases in Inventories		(24,636,652)	(11,534,333)
- Corrections for (Decreases) / Increases in Trade Receivables		7,016,171	(23,350,035)
- Corrections for Decrease in Other Receivables from Activities		(100,643,513)	(28,286,250)
- Corrections for Decrease / (Increase) in Remunerations Under Ongoing Construction Contracts		21,036,376	(23,785,862)
- Corrections for (Increase) / Decrease in Trade Payables		(2,861,837)	33,224,348
- Corrections for Decrease in Other Payables from Activities		17,903,602	31,332,710
Net Cash Flows Used in Activities		(26,127,814)	1,654,131
Cash Inflow from Derivative Instruments	19	57,760,183	14,070,408
Cash Outflow from Derivative Instruments	19	(20,376,406)	(17,288,764)
Tax Payments	22	(117,947)	(2,400,081)
Severance Payments Made	12	(1,940,000)	(1,463,587)
Interest Received	19.29	1,911,931	1,804,481
		11,109,947	(3,623,412)
B. Cash Flows Originating from Investment Activities			
Cash Outflows Resulting from Purchases of Tangible and Intangible Long Term Assets	8-9	(7,566,905)	(2,484,852)
Cash Inflows Resulting from Sales of Tangible Long Term Assets		294,321	166,765
		(7,272,584)	(2,318,087)
C. Cash Flows from Financing Activities			
Dividends Paid	15	-	(7,162,752)
		-	(7,162,752)
NET INCREASE / (DECREASE) IN CASH EQUIVALENTS		3,837,363	(13,104,251)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		158,951,686	172,055,937
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	29	162,789,049	158,951,686

Enclosed footnotes are an integral parts of these financial statement.

FOOTNOTES

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.
AND ITS AFFILIATES

FOOTNOTES FOR CONSOLIDATED FINANCIAL STATEMENTS AUDITED INDEPENDENTLY AS OF 31 DECEMBER 2015

[All sums are in Turkish Liras (TRY)]

1. THE GROUP'S ORGANIZATION AND FIELD OF ACTIVITY

Established and active in Turkey, Türk Prysmian Kablo ve Sistemleri A.S. (hereinafter the "Company") pursues their activities in the fields of manufacturing, imports, exports and trade of cables, machinery, apparatuses, tools and devices of all kind, as well as those of spare parts and accessories thereof. The Company was established in 1964 and currently pursues activities as a joint stock company, whose majority shares (83.75%) are owned by Draka Holding B.V.

Türk Prysmian - Prysmian Powerlink Adi Ortaklığı-1 (Partnership), one of the Group's affiliates, was incorporated in 2013, further to the opinion provided by the Revenue Administration Department pertaining to taxation procedures of the Contract DB.KAB.7 Lapseki - Sutluce 380kV Submarine Cable Project. Ordinary partnership's 99.99% is owned by Türk Prysmian Kablo ve Sistemleri A.S. and 0.01% by Prysmian Powerlink S.r.l.

Türk Prysmian - Prysmian Powerlink Adi Ortaklığı-2 (Partnership), one of the Group's affiliates, was incorporated in 2014, further to the opinion provided by the Revenue Administration Department pertaining to taxation procedures of the Contract DB.KAB.9 Lapseki - Sutluce 380kV Submarine Cable Project. Ordinary partnership's 99.99% is owned by Türk Prysmian Kablo ve Sistemleri A.S. and 0.01% by Prysmian Powerlink S.r.l.

The Group, which is a publicly traded company, pursues activities in a single line of business (manufacturing and sales of cables) and in a single geographical region. The Group's product portfolio consists of all energy cables up to 220 kV and copper communication cables with up to 3,600 couples, as well as optic fiber cables. The Group's factory is located in Mudanya, Bursa, and encompasses thermal, mechanical, chemical and electrical scientific research and testing laboratories to the high technological standards of the cable sector and to TSE qualification.

The Group's registered address is Omerbey Mahallesi, Bursa Asfalti Caddesi, No: 51, 16941, Mudanya, Bursa and has an Istanbul Branch, which is registered at the address of Omer Avni Mah. İnebolu Sok. Haktan İş Merkezi No: 39 K: Setüstü Kabatas, Beyoğlu, Istanbul. Average number of employees within a given month of the Group as of December 31, 2015 is 440 (December 31, 2014 was 440).

The Group's stocks have been traded at Borsa Istanbul A.S. stock exchange since 1986.

Details of the Group's subsidiaries are as follows:

Subsidiaries	Enlisted Stock Exchanges	Types of Activity	Main Fields of Activity
Türk Prysmian-Prysmian Powerlink Adi Ortaklığı-1	-	Sales	Sales of Energy Cables
Türk Prysmian-Prysmian Powerlink Adi Ortaklığı-2	-	Sales	Sales of Energy Cables

Dividend payable:

On February 26, 2016, Management proposed a payment of 0.061 TRY dividend per share to shareholders in relation to current year. Aforementioned dividend is subject to approval of the shareholders in yearly general assembly meeting and is not included in these financial statements as a liability. Estimated total dividend payable will be 6,814,053 TRY.

Approval of the consolidated financial statements:

Consolidated financial statements have been approved by the Board of Directors and authorization was given for publication thereof on Friday, February 26, 2016. The General Assembly has the right to alter financial statements.

2. PRINCIPLES GOVERNING FINANCIAL STATEMENT PRESENTATIONS**2.1 Basic Principles That Govern the Presentation**TSE Compliance Statement

The Group and its subsidiaries registered in Turkey are keeping and preparing their legal books and legal financial statements in compliance to the provisions of the Turkish Commerce Code (hereinafter the "TTK") and accounting principles defined in the tax legislation.

Consolidated financial statements in the attachment have been prepared in accordance with the provisions of the Capital Market Board's (hereinafter the "SPK") "Communique on Principles That Govern Financial Reporting in the Capital Market", Serial II, No: 14.1, published in Official Gazette, Edition No: 28676 Date: July 13, 2013; and are, as per the provisions of Article 5 of the aforementioned Communique, based upon Turkish Accounting Standards, enforced by Public Oversight Accounting and Auditing Standards Authority, as well as the interpretations and amendments (hereinafter the "TAS") of the aforementioned.

Moreover, consolidated financial statements and footnotes thereof have been prepared in conformance to the formats that were provided as per the notification dated July 7, 2013.

Consolidated financial tables are prepared on a historical cost basis, with the exception of revaluation of the derivative financial instruments. Historical cost is usually based on the fair value of the sum that was paid in consideration of the assets.

Currency Used

Financial statements of each subsidiary of the Group was presented in the currency that is in circulation in the basic economic setting that applies to their activities (i.e. functional currency). Financial standing and activity results of each enterprise was denominated in TRY, which is the functional currency for the Group's activities and consolidated financial statements.

Correction of the Financial Statements in Times of High Inflation Rate

As per the decision of the SPK, Decision No: 11/367 Date: March 17, 2005, inflation accounting practice has been discontinued for companies that are active in Turkey and subject to obligation of financial statement preparation as per the provisions of Turkish Accounting Standards. Accordingly, provisions of "Financial Reporting in Economies with High Inflation Rate", No: 29, did not apply as of January 1, 2005.

Comparative Information and Correction of Financial Statements of Previous Period

In order to facilitate determination of the financial standing and performance trends, the Group's consolidated financial statements are prepared and presented to include comparisons with the previous period. In order to ensure the compatibility with the presentation of the financial statements of the current period, comparative information may be reclassified wherever necessary, and important deviations are explained. In the current period, the Group has made certain classifications on previous period's financial statements in order to comply with the format announced by the SPK on July 7, 2013. These classifications that were made have effects on profit and loss statement. Natures, reasons and amounts of these classifications are explained below:

As of December 31, 2014, sum of 551,836 TRY that is shown under "Trade Payables" is now shown under "Other Short Term Provisions".

Principles Governing Consolidation

Details of the Group's subsidiaries as of December 31, 2015 and 2014 are as follows:

Subsidiaries	Incorporation and Place of Business	Currency	The Group's share in capital and right to vote (%)	
			December 31, 2015	December 31, 2014
Türk Prysmian-Prysmian Powerlink Adi Ortaklığı-1	Bursa	Turkish Liras	99.99	99.99
Türk Prysmian-Prysmian Powerlink Adi Ortaklığı-2	Bursa	Turkish Liras	99.99	99.99

Consolidated financial statements encompass the Group's own and the Group's subsidiaries' financial statements. Control is established subject to the Group's satisfying the following criteria:

- having (controlling) power on the group invested;
- the group invested being open to variable returns and being entitled to such returns; and
- being able to exercise its controlling power to the extent that it may affect the returns;

In the event where any event or condition that might result in any change in at least one of the criteria above emerges, the Company shall reevaluate whether or not it has the controlling power on the investment.

In the events where the Company does not have majority of the voting rights of the company invested, it will still be construed that the Company has controlling power if the Company has means to control/direct the investment activities by itself. The Group shall consider all the events and circumstances that are relevant to the issue, including but not limited to the following, in determining whether or not the majority of votes in a given investment is enough to ensure the controlling power:

- Comparison of the right(s) to vote owned by the Company and right(s) to vote owned by other shareholders;
- Potential rights to vote owned by the Company and other shareholders;
- Other rights that might emerge under other contracts, if any; and
- Other events and conditions that might demonstrate whether the Company has the controlling power to manage activities that are subject to decision (including but not limited to votes casted in pas general assembly meetings).

Inclusion of a subsidiary in to scope of consolidation begins when the Group gains controlling power on the subsidiary and ends when the Group loses the same. Revenues and expenditure of the subsidiaries that are acquired or sold out within the year are incorporated in consolidated profit and loss statement and other comprehensive income statement table for the period between the date of acquisition and date of sales.

Each item of the profit and loss and other comprehensive revenue is belong to main partnership shareholders or shares that do not have controlling power. Even in the case when shares that do not have controlling power end up yielding a negative balance, total comprehensive revenue of the subsidiaries is transferred to main partnership shareholders and shares that do not have controlling power.

All intra-group assets and liabilities, equities, revenues and expenses and cash flows pertaining to intra-Group transactions are eliminated during consolidation.

2.2 Changes in Accounting Policies

Important changes that are introduced to accounting policies are implemented retrospectively and financial statements of the past period(s) are rearranged. There hasn't been any important change in the Group's accounting policies in the current year.

2.3 Changes and Errors in Accounting Forecasts

Changes in accounting forecasts are implemented only in the current period if the same relates to one period only; or in current period as well as future periods if the same relates to future periods. There hasn't been any important change in the Group's accounting forecasts for the future.

2.4 New and Revised Turkish Accounting Standards

(a) Changes introduced to TAS that affect amounts and footnotes included in the consolidated financial statements

There is none.

(b) Standards that are in force since 2015 but does not affect the Group's consolidated financial statements and amendments and comments

TAS 19 (Amendments)	Employee Benefits ¹
Annual Improvements for 2010-2012 Period	TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24, TFRS 9, TAS 37, TAS 39 ¹
Annual Improvements for 2011-2013 Period	TFRS 3, TFRS 13, TAS 40 ¹

¹ applies to fiscal periods that begin after June 30, 2014.

TAS 19 (Amendments) *Employee Benefits*

This amendment elucidates how the contributions of employees and third persons will be related to their service periods. Besides, where the amount of contribution is independent from the number of years in service, the business will be allowed to recognize such contributions in the form of reduction from the cost of services for the service period.

Annual Improvements for 2010-2012 Period

TFRS 2: This amendment changes the definitions of 'merit condition' and 'market condition' and brings the descriptions 'performance condition' and 'service condition'.

TFRS 3: With this amendment, a conditional amount is measured at fair value at each reporting date.

TFRS 8: These amendments enforce the disclosure of management reviews in applying merger criteria into the units of operation, telling that the conciliation of the total amount of unit assets with business assets will be required only if unit assets are reported.

TFRS 13: This amendment elucidates that the amendments in TFRS 9 and TAS 39 does not change the measurability of certain short-term receivables and payables with no discount.

TAS 16 and TAS 38: When a tangible asset item is subjected to revaluation with this amendment, it is carried according to the revalued amount of the carrying value of the asset.

TAS 24: This amendment elucidates that compensation payable or paid to such managers should be disclosed in case the business gets key management personnel services from another business.

Annual Improvements for 2010-2012 Period resulted in amendments in TFRS 9, TAS 37 and TAS 39 in respective order.

Annual Improvements for 2011-2013 Period

TFRS 3: This amendment elucidates that the recognition of a joint agreement as a joint agreement formation in their financial statements is out of the scope of TFRS 3.

TFRS 13: This amendment elucidates the scope of exception in paragraph 52.

TAS 40: This amendment elucidates the relationship between TFRS 3 and TAS 40 regarding the classification of a property as a property for investment purposes or property for owner's use.

(c) Amendments and comments made on standards that did not yet go in effect and current past standards

The Group has not yet implemented the following changes and comments that apply to the following standards that did not yet go in effect and current past standards:

TFRS 9	<i>Financial Instruments</i>
TFRS 9 and TFRS 7 (Amendments)	<i>TFRS 9 and Mandatory Effective Date for Transition Announcements</i>
TAS 16 and TAS 38 (Amendments)	<i>Explanation of the Methods Applicable to Amortization and Depreciation Sums¹</i>
TAS 16 and TAS 41 (Amendments) and TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 (Amendments)	<i>Agricultural Activities: Bearing Plants¹</i>
TFRS 11 and TFRS 1 (Amendments)	<i>Accounting of Shares Acquired in Joint Activities¹</i>
Annual Improvements for 2011-2013 Period	<i>TFRS 1²</i>
TAS 1 (Amendments)	<i>Declaration Provisions²</i>
Annual Improvements for 2012-2014 Period	<i>TFRS 5, TFRS 7, TMS 34, TMS 19²</i>
TAS 27 (Amendments)	<i>Equity Method in Individual Financial Statements 2</i>
TFRS 10 and TAS 28 (Amendments)	<i>Sales of Assets or In-Kind Capital Contributions Between Investor and Subsidiary or Partnership 2</i>
TFRS 10, TFRS 12 and TMS 28 (Amendments)	<i>Investment Entities: Applying the Consolidation Exception 2</i>
TFRS 14	<i>Regulatory Deferral Accounts 2</i>

¹ applies to fiscal periods that begin after December 31, 2015.

² applies to fiscal periods that begin after January 01, 2016.

TFRS 9 Financial Instruments

TFRS 9 published in November 2009 introduces further requirements with regards to classification and valuation of financial assets. TFRS, as amended in October 2010, encompasses amendments with regards to classification and valuation of financial liabilities and removal of the same from the records.

TFRS 9 and TFRS 7 (Amendments) TFRS 9 and Mandatory Effective Date for Transition Announcements

Mandatory effective date of TFRS 9 has been postponed to after January 1, 2018.

TAS 16 and TAS 38 (Amendments) Explanation of Applicable Methods for Amortization and Depreciation Shares

This amendment elucidates that it is not appropriate to use the depreciation method based on operation revenues as a result of use of an asset for tangible assets, and in rare cases that are legally binding unless otherwise proven and where only an intangible long term asset is expressed for revenue measurement purposes or in cases where the economic benefits of intangible long term assets are proven to be closely related with the revenues made, as a result of the use of an asset for an intangible long term asset. This amendment also tells that the expected decreases in the selling price of an item produced as a result of the use of an asset in the future can indicate an expected depreciation of an asset technologically or commercially and could subsequently be an indicator of the falls in future economic benefits of the asset.

TAS 16 and TAS 41 (Amendments) and TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 (Amendments) Agricultural Activities: Carrier Plants

This standard stipulates that 'carrier plants' should be handled within the scope of the TAS 16 standard instead of the TAS 41 standard under the tangible long term assets classification in a manner that will allow measurement based on cost or revaluation basis after the initial recognition. This standard also defines 'carrier plant' as a plant used for the production or supply of agricultural products that are expected to yield produce for more than one period and which have low chances of being sold as agricultural products except for insignificant residual sales. This standard also tells that products grown from carrier plants are within the scope of the TAS 41 standard.

These amendments in TAS 16 and TAS 41 resulted in amendments in TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 respectively.

TFRS 11 and TFRS 1 (Amendments) Recognition of Shares from Joint Operations

This standard projects, relating to a business that has stakes in a joint operation that is considered business:

- Except for those contrary to the rules specified in TFRS 11, implementation of all relevant recognition procedures relating to business mergers in TFRS 3 and other TAS, and
- The disclosure of information relating to TFRS 3 and other TAS business mergers.

This amendment in TFRS 11 resulted in amendments in the relevant parts of the TFRS 1 standard.

Annual Improvements for 2011-2013 Period

TFRS 1: This amendment elaborates on the versions of TAS to be used by the enterprise in the event where the enterprise is adopting TAS for the very first time.

TAS 1 (Amendments) Declaration Provisions

These amendments include improvements of narrow focus in known requirement areas pertaining to financial statement authors' presentation of financial statements.

Annual Improvements for 2012-2014 Period

TFRS 5: This adds specific guidance for cases in which an entity reclassifies a long term asset from held for sale to held for distribution or vice versa and for cases in which held-for-distribution accounting is discontinued.

TFRS 7: This provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

TAS 34: This clarifies the meaning of "elsewhere in the interim report".

Annual Improvements for 2012-2014 Period resulted in amendments in relevant sections of TAS 19.

TAS 27 (Amendments) Equity Method in Individual Financial Statements

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

TFRS 10 and TAS 28 (Amendments) Sales of Assets or In-Kind Capital Contributions Between Investor and Subsidiary or Partnership

This amendment clarifies the treatment of sale or in-kind contribution of assets from an investor to its associate or joint venture.

TFRS 10, TFRS 12 and TAS 28 (Amendments) Investment Entities: Applying the Consolidation Exception

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interest in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by TFRS 12.

TFRS 14 Regulatory Deferral Accounts

TFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first time adopter of Turkish Financial Reporting Standards to continue to account, with some limited changes, for "regulatory deferral account balances" in accordance with its previous GAAP, both on initial adoption of TFRS and in subsequent financial statements.

TFRS 14 also led to amendments in related provisions of TFRS 1.

Aforementioned standards, amendments and improvements do not have any impact on the Group's consolidated financial standing and/or performance.

2.5 Summary of Significant Accounting Policies

Related Parties

Related parties are persons or businesses that are related with the business (reporting business) that prepared the financial statements.

a) A person or a member of the immediate family of that person will be considered related with the reporting business in the following situations: In the event that the said person,

- (i) has the controlling power or joint controlling power over the reporting business,
- (ii) has a significant influence over the reporting business,
- (iii) is a member of the key management staff of a reporting business or a major shareholder of a reporting business.

(b) The business will be considered related with the reporting business in the event that any of the following conditions is present:

- (i) In the event that the business and the reporting business are members of the same group (e.g., each core business, subsidiary and other subsidiary is related with others);
- (ii) In the event that the business is an affiliate or a joint venture of the other business (or a member of a group that the other business is a member of);
- (iii) In the event that both businesses are joint ventures of the same third party;
- (iv) In the event that one of the businesses is a joint venture of a third business and that the other business is an affiliate of the said third business;
- (v) In the event that the business, reporting business or a business related with the reporting business has benefit plans for quitting employees.

(c) The business will be considered related with the reporting business in the event that any of the following conditions is present:

- If the reporting business itself has such a plan, then sponsoring employers are also related with the reporting business;
- (vi) In the event that the business is controlled or jointly controlled by a person mentioned in item (a);
- (vii) In the event that a person described in item (a) paragraph (i) has a significant control over the business or is a member of the key personnel of that the said business (or the core business of that business);

The transaction made with the related party is the transfer of resources, services or obligations between the reporting business and the related party no matter whether it is done against a certain fee.

Revenue

The revenues are measured over the fair value of the collected or collectible amounts receivable. Estimated customer returns, discounts and provisions are reduced from the said amount. The Group manufactures and supplies power and communication cables. In addition, the Group undertakes installation projects of power and communication cables (Note 2.5 accounting policy on Construction Agreements is further explained).

Sale of goods

Revenues from sale of goods are recognized at the full performance of the following conditions:

- Transfer of important ownership risks and gains to the buyer by the company,
- The Company having no ongoing administrative contributions related with ownership and no effective control over goods sold,
- Reliable measurement of earnings,
- Potential flow of economic benefits related to the transaction into the business, and
- Reliable measurement of costs arising or to arise from the transaction.

Interest revenues

Interest revenues from financial assets will be recorded as long as it is possible to measure the Company's economic benefits and revenues in a reliable manner. Interest income will be accrued in the applicable period financial period pro rata to the effective interest rate reducing the estimated cash incomes to be collected from the financial asset throughout its expected life cycle and the outstanding capital to the recorded value of that asset.

Inventories

Inventories are stated at the lower of cost and net realizable value. The production cost system is a stage cost allocation system and First In First Out (FIFO) is the rule that applies for cost method except for precious metal stocks (copper, aluminum). Precious metal stocks are appraised through weighted average cost method. The cost of finished and semi-finished goods includes the costs of raw materials, direct workmanship, other direct expenses and related production overheads, and excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Tangible Long Term Assets

Tangible long term assets are shown with net value after deduction of accumulated depreciation from cost of obtaining.

Cost method

Tangible long term assets are shown over the amount following deduction of accumulated amortization and accumulated depreciation from cost amounts. Lands and plots are not amortized and are shown over the amount following deduction of accumulated depreciation from cost amounts.

Assets held for use in the construction, administrative or any other purposes are carried at cost, less any impairment. Legal charges are also added to costs. When such assets are built and are available for use, they are classified in the relevant tangible long term asset item. Such assets, as in the amortization method used for other long term assets, are amortized when they are available for use.

Assets, other than land and ongoing investments, are depreciated over their expected useful lives by using the straight line method. Estimated useful life, residual value, and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

When a tangible long term asset is disposed or if no economic benefits are expected from their use or future sale, they will be left out of the balance sheet. Revenues or losses resulting from the disposal of tangible long term assets or decommissioning of tangible asset is set as the difference between the sales revenues and the carrying value of the asset and is included in the income statement.

Intangible Long Term AssetsPurchased intangible assets

Purchased intangible assets with limited useful life are shown following deduction of accumulated depreciation shares and accumulated depreciation from cost amounts. Such assets are depreciated using direct amortization method based on their expected useful life. The expected useful life and amortization method is reviewed annually to determine potential impacts of amendments in estimations and such amendments in the estimations are recognized prospectively. Purchased tangible assets with unlimited useful life are shown with their amounts after reduction of accumulated depreciation from the cost amount.

Computer software

Purchased computer software shall be posted in the assets over the costs during their purchase and from purchase until availability. Said costs are depreciated for (5-10 years) based on their useful life.

Leaving intangible assets out of the balance sheet

When an intangible long term asset is disposed or if no economic benefits are expected from their use or future sale, they will be left out of the balance sheet. Profit or loss resulting from leaving an intangible asset out of the financial statement (balance sheet), if any, is then calculated as the difference between net collections resulting from disposal of assets and their carrying amounts. Such difference is accounted for in profit or loss when the underlying asset is left out of financial statement (balance sheet).

Impairment in Intangible Assets other than Tangible Assets and Goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If a reasonable and consistent allocation principle can be defined, the Company allocates assets to cash-generating units. In cases where the foregoing is not possible, the Group allocates assets to units that generate least cash so that a reasonable and consistent allocation principle can be determined.

Intangible long term assets that has unlimited economic life and those that are not ready for use are subjected to impairment test at least once a year and/or whenever an indication of an impairment emerges. Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is the today's value of the estimated future cash flows from an asset or from a cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. In cases where an asset cannot be measured with its revaluated amount, impairment loss is accounted for directly under profit/loss. In such case, impairment loss is considered as a revaluation impairment.

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

Costs of Borrowing

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

Financial Instruments

Financial assets

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

Financial assets are classified into the following specified categories: financial assets as "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that effectively discounts estimated future cash receipts throughout the expected life of the financial asset, or where appropriate over a shorter period.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are held for trading. When a financial asset is acquired for the purpose of disposing of in the short term, it is classified under the aforementioned category. aforementioned financial assets that constitute derivative products, which are not defined as an effective protection against financial risks, are also classified as financial assets at fair value through profit or loss. Relevant financial assets are shown with their fair values and the gains and losses arising from changes in fair value are included in the profit and loss statement.

Investments held until due term

The fixed term debt instruments that the Group intends and is capable to hold until the due term and that have a fixed or determinable payment plan are categorized as the investments held until the due term. The investments which will be held until the due term are recorded after the amount decrease in value is deducted from the cost price redeemed in line with effective interest method and then the related income is accounted by using the effective interest method.

Available-for-sale financial assets

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

Equity instruments held by the Company but not listed and not being traded are classified as available for sale financial assets and their fair values are measured at their fair value can be measured reliably. Gains and losses resulting from fair value changes, with the exception of impairment losses recorded in income statement, interest calculated using effective interest method and foreign exchange rate profit/loss amounts relating to monetary assets, are recognized under other comprehensive income and financial assets are accumulated under value increase fund. In case the relevant asset is disposed of or in case of impairment, the profit / loss in equity accounts are transferred to the income statement.

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

Loans and receivables

The commercial and other receivables that are not transacted and that have fixed and determinable payments as well as the credits are classified in this category. The credits and receivables (commercial and other receivables, bank balance, cash and others) are recorded by deducting the decrease in value from the cost amortized via effective interest method. Interest revenue is recorded by calculation according to the effective interest method in cases other than where the effect of rediscount is insignificant.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with maturities of three months or less from date of acquisition and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The Group's cash and cash equivalents are categorized under 'Credits and Receivables'.

Recognizing financial assets and leaving financial assets out of financial statement

The Group does not include financial assets and liabilities in its accounts unless the Group is party to the contract(s) regarding the underlying financial assets. In the events where the contractual rights of cash flows pertaining to underlying financial asset expires or where the Group transfers the underlying financial asset along with all risks and interests resulting from the underlying financial asset to another party, the Group leaves the subject financial asset out of its financial statement. In cases where all the risks and interests resulting from the possession of the asset are not transferred to another party and where the control of the asset is retained, the Group continues to recognize its remaining share in the asset as well as any liabilities that result from and are payable due to its possession of the asset. In the event where the Group retains all risks and interest resulting from the possession of an asset that was transferred, recognition of the financial asset is continued and a sum of liability is also recognized and tied to a collateral against the financial asset that was transferred to cover revenues from the underlying asset. If the Group's liability defined in the contract becomes null, terminates or expires, the Group leaves the financial liability out of its financial statement.

Financial liabilities

A financial liability is measured at its fair value during its first recognition. During the first recognition of the financial liabilities whose fair value difference is not reflected in profit or loss, costs of transactions that can be directly linked to acquisition of the relevant financial liability are also added on the fair value of the financial liability. Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments to hedge financial risks (mainly exchange rate forward contracts) due to the processes associated with estimated the specific binding commitments and the future exchange rate fluctuations.

The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are calculated according to the fair value and again calculated for the next reporting period at fair value base.

If the changes in the fair value of derivatives which are determined as the hedge of future cash flows are the inactive parts of shareholders' equity, then they're recorded directly under income statement.

In the event that the process of hedging of a binding commitment or a projected future transaction from the risk of cash flow results in the recording of an asset or liability, gains or losses relating to financial instruments relating to derivative financial instruments previously recorded in equities and said assets or liabilities are included into the measurement of the initial value of asset or liability on their initial recording date. In a hedge operation not resulting in recording or hedging an asset or liability, amounts in the equity are recorded in the income statement during the period when the hedged item affects the income statement. The amendments in the fair value of derivative financial instruments that do not meet the requisites for hedge accounting are entered into the income statement at the time of creation.

Hedge accounting is terminated in case the hedge accounting instrument expires, is sold or used or it becomes unable to meet the requisites for hedge accounting. On the said date, cumulative gain or loss resulting from the hedge instrument recorded in the equities will be included in the equities until the anticipated date of transaction. If the hedged transaction does not occur, net cumulative profit or loss in the equity will be carried as period's profit or loss.

Effects of Exchange Rate DeviationForeign Currency and Balances

Financial statements of each subsidy of the Group was presented in the currency that is in circulation in the basic economic setting that applies to their activities (i.e. functional currency). Financial status and operating outcomes of each business is expressed in TRY, which is the valid currency of the Group and the presentation unit for consolidated financial statements.

During the drafting of the financial statements of each business, transactions over foreign currency (currencies other than TRY) are recorded based on the currency rates on the date of transaction. Foreign currency-based assets and liabilities in the financial statement are translated into Turkish over the currency rates valid on the date of balance sheet. Those nonmonetary items being followed over fair value that are recorded in foreign currency are translated into TRY over the currency rates effective on the date when the fair value was set. Nonmonetary items in foreign currency measured over historic cost are not retranslated.

Foreign currency differences, except for the following situations, are recognized as profit or loss in the period when they occur:

- Foreign currency differences as corrective items on interest items on payables related with assets being built for future use and recorded in foreign currency and included into the cost of such assets,
- Foreign currency differences resulting from transactions carried out to hedge against foreign currency risks (accounting policies for hedge against risks are detailed below),

Profit per Share

Profit per share mentioned in the consolidated income statement is found by dividing net profits into the number of weighted average of shares in the market throughout the year.

Companies in Turkey can increase their capital through “no-par shares” distributed to shareholders over past years’ profits. Such “no-par share” distributions are considered as issued shares in profit per share calculations. Accordingly, the number of weighted average of shares used in such calculations is found also in consideration of the retrospective effects of the said share distributions.

Events after Reporting Period

Even if the events after reporting period occur after any announcement about profits or disclosure of other chosen financial information, cover all events between the date of balance sheet and the date of authorization for the issue of balance sheet.

The company shall revise the amount included in the financial statements based on such new condition in the event of occurrence of events requiring revision after the date of balance sheet.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A possible obligation or possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity should not be recognized as a contingent liability or contingent asset in the financial statements.

Contracts that might result in loss

Current liabilities originating from contracts that might result in loss are calculated and recognized in form of provisions. In the event where any contract exists under which inevitable costs to be incurred in order to fulfill the Group's contractual liabilities outweigh the potential economic interests expected from the contract, the contract is deemed to be a contract that might result in loss.

Guarantees

Provisions for the cost of guarantee are recognized on the date of sale of relevant products based on most suitable expenditures estimated by the management to cover the liabilities of the company.

Construction Contracts

Revenues from the contract in case the results relating to construction contracts cannot be reliably anticipated shall be recognized pro rata to the compensable portion of the realized contract expenditures. Contract expenditures are recognized on the date of creation.

Contract yield is recognized in cases where the outcome of construction contracts can be reliably anticipated and where the contract will potentially bring profits throughout the term of the contract. The amendments in the contracts, required payments and incentive payments are added into contract earnings as accepted by the customer and as long as they can be reliably measured.

In cases where the total contract expenditures can exceed total contract yield, anticipated loss is immediately recognized as expenditure.

The company uses the “completion percentage method” to determine the appropriate amount of yield to be recognized for the relevant period. The completion stage shall be measured as a percentage of the estimated total costs for each contract based on contract expenditures until balance sheet date. Expenditures during the period relating to any prospective operation within the scope of the contract shall not be included in the contract expenditures for the determination of the completion stage. They are recognized as inventories, advances or other assets based on their qualities.

The company shall, in case the gross receivables from customers for ongoing contract works is over the progress payment amount as a result of adding the profit reflected on resulting accounts onto the accrued costs (reduction of loss), present them as assets. Progress payment amounts not paid by customers and amounts retained as guarantee over progress payments are included into the "commercial receivables" account.

The company shall, in case the gross receivables from customers for ongoing contract works is over the progress payment amount as a result of adding the progress payment amounts onto the accrued costs (reduction of loss), present them as liabilities.

Government Grant and Incentives

Government incentives are not reflected in financial statements without a reasonable assurance that the business will fulfill the necessary conditions for obtaining the incentive..

Government grants are reflected in the profit and loss statements in a systematic manner throughout the periods throughout periods where the costs aimed to be met by these incentives are accounted as expense items. The government grants are financing tools, should be associated with financial statement as unearned income and reflected in profit or loss in order to clarify the profit or loss item of expenditure posted instead of being posted in the profit or loss to clarify the expenditure item they are financing in a systematic way throughout the economic life of the related assets.

Government incentives given to cover previously-realized expenses or losses or to supply emergency financing to the business in the future without any cost will be posted in the profit or loss in the period they become collectible.

Benefit of the loan in a lower than market interest rate from the state, is considered as government incentive. Benefit created by low interest rate is measured by the difference between initial carrying value of the loan and the obtained earnings.

Taxes over Corporate Revenues

Since the Turkish Tax Legislations does not allow the core business and its subsidiary to submit consolidated tax statements, as reflected in the attached consolidated financial statements, tax provisions are calculated separately for each business.

The income tax expenditures consist of the total amount of current tax and deferred tax expenditures.

Current tax

The current year tax liability is calculated over the taxable portion of the period's profit. Since the taxable profit excludes the items taxable or deductible in other years and items that are not taxable or deductible, it is different from the profit in the income statement. The company's current tax liability has become final as of the date of balance sheet or calculated using significantly final tax rate.

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The carrying amount of deferred tax assets is discounted to the extent that it is not possible to secure a profit that'd allow exercising its benefits, or a part thereof.

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

Provided that, subject to the same country's tax legislation and in the event of a legally enforceable right exists regarding offsetting current tax assets from current tax liabilities, the deferred tax assets and deferred tax liabilities are mutually offset.

Current and deferred tax for the period

Tax is included in profit and loss table unless it is related to any transaction that is carried directly under equities. Otherwise, tax, along with the underlying transaction, is carried under equities.

Employee BenefitsSeniority pays:

As per the provisions of current Turkish legislations and collective agreements, seniority pay is paid in case of retirement or layoff. As per the updated TAS 19 *Employee Benefits Standard* ("TAS 19"), said type of payments are classified as defined retirement benefit plans.

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the company. All actuarial gains and losses are reflected into the consolidated statement of incomes.

Cash Flow Table

In the cash flow table, period's cash flows are classified and reported based on core, investment and financing operations.

Capital and Dividends

Ordinary shares are classified as equity capital. Dividends distributed on ordinary shares are recorded by deducting from the accumulated profit in the period that the dividend payment decision is reached.

2.6 Significant Accounting Valuation, Estimation and AssumptionsCritical decisions made by the company when applying the accounting policies

During the process of application of the accounting policies mentioned in note 2.5, the management made the following interpretations which are very effective on amounts recognized in consolidated financial statements (other than the estimates covered below):

Completion Percentage

The Group accounts for construction contracts as per the completion percentage method. According to this method, the cost of the portion of the contract that was actually completed to date is prorated to contract's estimated total cost.

Income Accrual

The company uses the "completion percentage method" to determine the appropriate amount of yield to be recognized for the relevant period. The completion stage shall be measured as a percentage of the estimated total costs for each contract based on contract expenditures until balance sheet date.

Deferred Tax

The Group recognizes deferred tax assets and deferred tax liabilities for accounting for the temporary timing differences resulting from the differentials in taxable and legal financial statements and financial statements prepared in accordance with the provisions of TAS. The Group has unused financial losses that can be discounted from the future profits and deferred tax assets originating from other discountable temporary differences. Fully or partially recoverable portions of deferred tax assets were estimated to the extent possible under the current circumstances. Projections of future profits, losses that took place in the current periods, expiry dates of unused losses and other tax assets and tax planning strategies that may be adopted as needed were considered during this valuation. In the light of available data, if the company's profits are not sufficient to fully cover the company's deferred tax assets, provisions shall be retained for all or part of the deferred tax asset.

Fair value of derivatives and other financial instruments

The company calculates the fair values of financial instruments that have no active markets using similar values by utilizing market data, taking as reference the fair value of similar instruments and using reduced cash flow analyses (Note 24).

3. AFFILIATED PARTY DISCLOSURES

83.75% of the shareholding of Türk Prysmian Kablo ve Sistemleri A.Ş. are owned by Draka Holding B.V. 100% of the shareholding of Draka Holding B.V. belongs to Prysmian Cavi e S.R.L., and this company is fully owned by Prysmian S.P.A., the main holding company.

Since the transactions between the Group and its subsidiaries were eliminated during consolidation, they are not included herein.

Receivables from and payables to related parties as of end period are summarized below together with a summary of transactions during the period:

Balances with Affiliates	December 31, 2015	
	Receivables	Payables
	Short Term	Short Term
	Trade	Trade
Prysmian Cables & Systems Ltd.	2,567,743	-
Prysmian Cavi e Sistemi S.r.l.	172,114	3,391,307
Prysmian Cables et Systemes France	85,084	1,320,007
Prysmian Kabel und Systeme GmbH	13,794	593,184
Prysmian Cavi e Sistemi Italia S.r.l.	2,698,980	10,900,653
Fibre Ottiche Sud - F.O.S. S.r.l.	-	521,070
Prysmian Cables & Systems Limited	-	702,513
Prysmian S.P.A	135,924	33,564
Prysmian Tianjin Cables Co. Ltd.	729,533	-
Prysmian Cables y Sistemas S.A.	13,794	722,422
Prysmian MKM Magyar Kábel	59,510	-
Prysmian Fibras Oticas Brasil Ltda	119,123	-
Prysmian Australia Pty Ltd	1,387,337	-
Prysmian PowerLink Services Ltd	-	4,015,329
Draka Comteq Germany GmbH & Co KG	33,152	-
Prysmian Cables and Systems OY/FINLAND	14,429	428,914
Draka Cable Wuppertal GmbH	332,532	-
Prysmian Cables and Systems B.V.	-	734,004
Other Affiliates	68,040	2,976
	8,431,089	23,365,943

Balances with Affiliates	December 31, 2014	
	Receivables	Payables
	Short Term	Short Term
	Trade	Trade
Prysmian Cables & Systems Ltd.	1,378,522	-
Prysmian Cavi e Sistemi S.r.l.	199,607	3,315,693
Prysmian Cables et Systemes France SAS	216,151	-
Prysmian Kabel und Systeme GmbH	12,389	162,917
Prysmian Cavi e Sistemi Italia S.r.l.	1,403,579	3,739,804
Prysmian S.P.A	189,012	3,893,918
Prysmian Cabluri si Sisteme S.A.	931,718	-
Prysmian Cables y Sistemas S.A.	-	2,488,874
Prysmian Cables and Systems B.V.	-	62,394
Draka Comteq Germany GmbH & Co	-	78,540
Prysmian Power Link Srl Milan	-	6,813,203
Draka Comteq UK Limited	112,817	-
Prysmian Cables and Systems OY/FINLAND	-	554,745
Other Affiliates	129,469	62,020
	4,573,264	21,172,108

Transactions with affiliates	January 1 - December 31, 2015		January 1 - December 31, 2014	
	Purchases of Goods	Purchases of Services	Purchases of Goods	Purchases of Services
Prysmian Cables and Systems OY/FINLAND	50,160,966	-	33,026,397	-
Prysmian Cables y Sistemas S.A.	16,399,658	-	29,001,117	-
Prysmian Cavi e Sistemi S.r.l.	94,164	22,553,155	434,745	21,843,084
Draka Comteq Berlin GmbH & Co. KG	1,351,549	-	4,912,505	-
Prysmian Cavi e Sistemi Italia S.r.l.	25,149,075	-	17,081,381	-
P.T. Prysmian Cables Indonesia	329,326	-	1,259,947	-
Prysmian S.p.A	19,784,989	644,047	10,962,205	520,590
Prysmian Kabel und System GmbH.	7,849,513	-	4,311,053	-
Prysmian Cables & Systems Ltd.	2,369,891	-	781,974	-
Fibre Ottiche Sud - F.O.S. S.r.l.	6,651,210	-	5,053,563	-
Draka Comteq UK Limited	4,079,268	-	2,630,086	-
Draka Comteq Fibre BV	195,309	-	561,430	-
Draka Cable Wuppertal GmbH	2,037,981	-	1,080,784	-
Prysmian Cables et Systemes France	864,138	-	482,466	-
Draka Norsk Kabel AS Drammen	750,243	-	660,911	-
Prysmian Romania Cabluri Si Sisteme	212,923	-	148,315	-
Prysmian Power Link Service Ltd.	3,810,447	-	239,372	-
Draka Comteq Germany GmbH	2,743,348	-	2,828,608	-
Prysmian Cables and Systems B.V.	3,059,296	-	1,492,632	-
Prysmian Power Link Srl Milan	43,816	-	33,158,929	-
Prysmian MKM Magyar Kabel	10,387	-	132,972	-
Prysmian Tianjin Cables Co. Ltd.	114,203	-	-	-
Prysmian Wuxi Cable Company Ltd	146,474	-	-	-
Prysmian Baosheng Cable Co., Ltd	104,366	-	-	-
Prysmian Australia Pty Ltd	68,720	-	-	-
Draka Cableteq	134,594	-	-	-
Prysmian Energia Cabos	578,569	-	-	-
Prysmian Optical Fiber Brasil. S.A	117,834	-	-	-
Other Affiliates	144,842	-	219,807	-
	149,357,099	23,197,202	150,461,199	22,363,674

Transactions with affiliates	January 1 - December 31, 2015	January 1 - December 31, 2014
	Sales of Goods	Sales of Goods
Prysmian Cavi e Sistemi Italia S.r.l	15,689,837	27,762,212
Prysmian Cables et Systemes France	8,082,227	4,518,259
Prysmian Cables & Systems Ltd.	15,221,116	8,122,066
Prysmian Cables y Sistemas S.A.	25,094	-
Draka Cable Wuppertal GmbH	348,848	-
Prysmian Tianjin Cables Co. Lt	3,596,242	-
Draka Kabel Sverige AB	58,196	-
Prysmian Fibras Oticas Brasil Ltda	117,958	-
Prysmian Energia Cabos y Siste	68,082	-
Prysmian Cables and Systems US	65,557	-
Prysmian Australia Pty Ltd	1,444,322	-
Draka Comteq Germany GmbH & Co KG	296,421	20,095
Prysmian Cabluri si Sisteme S.A.	2,080,682	1,245,495
Draka Istanbul Asansor Ihracaat Ihr.Ltd.Şti.	-	39,349
P.T.Prysmian Cables Indonesia	272,639	47,759
Prysmian PowerLink Srl	350,196	70,500
Singapore Cables Manufacturers Pte Ltd	1,124,707	397,764
Draka Kably S.R.O.	-	109,067
Prysmian Kablo S.R.O.	67,227	78,228
Draka Cableteq USA INC	3,495,569	2,061,328
Draka Comteq Berlin GmbH & Co. KG	336,156	330,048
Prysmian Cables and Systems OY/FINLAND	13,291	-
Draka Comteq UK Limited	285,824	189,025
Prysmian Telecom Cables & Systems Australia	-	54,253
Other Affiliates	29,974	50,457
	53,070,165	45,095,905

The fee for IT services from Prysmian S.P.A. is about the S.A.P. system that has been revised in 2011. It includes all technical assistance received in line with system revision, consultancy and costs.

Service fees paid to group companies comprise three types of service fees. They are;

TAF (Technical Assistance Fees):

The licensing fee is calculated with 1% brand fee over sales from net productions and 1% knowhow fee, making a total of 2% and invoiced by relevant companies. A revision was last made in 2006 in the corporate title.

SAG (Service Agreement):

Various services are invoiced including legal services, aftersales, R&D and consultancy by distribution keys for all group companies at the headquarters of Prysmian Group Holding.

IT (IT Service Agreement):

All information technologies expenditures are calculated for all group companies at the headquarters of Prysmian Group Holding. Various services are invoiced for expense accruals by various allocation keys.

Total licensing and agreement expenditures for group companies:

Total licensing and agreement expenditures for group companies (Footnote: 18)	January 1 - December 31, 2015	January 1 - December 31, 2014
Prysmian Cavi e Sistemi S.r.l.	22,553,155	21,843,084
Prysmian S.p.a.	644,047	520,590
	23,197,202	22,363,674

Benefits to executives:

Period's benefits to the executives are given below:

	January 1 - December 31, 2015	January 1 - December 31, 2014
Wages and other short term benefits	1,760,417	2,043,978
Other Long Term Provisions	25,822	8,950
	1,786,239	2,052,928

Cost reflection expenses (Footnote: 19)

	January 1 - December 31, 2015	January 1 - December 31, 2014
Prysmian S.p.A	566,896	612,249
Prysmian Cavi e Sistemi S.r.l.	366,904	262,512
Prysmian Mkm Magyar Kábel Müvek	196,458	15,074
Prysmian Cavi e Sistemi Italia S.r.l	99,720	-
Prysmian Cables and Systems US	92,842	85,825
P.T.Prysmian Cables Indonesia	-	85,704
Singapore Cables Manufacturers Pte Ltd	43,638	-
Prysmian Cables and Systems OY/FINLAND	42,882	95,113
Prysmian Kabel und System GmbH.	40,981	100,625
Draka Comteq Germany GmbH	33,684	56,270
Other Affiliates	43,323	120,665
	1,527,328	1,434,037

In order to ensure that the persons that are relocated to affiliate companies abroad do not lose their legal entitlements, the Group continue to pay for Social Security Institution premiums and other costs of these persons. Such sums paid are then charged to relevant affiliate companies. This does not have any net effect on the Group's profit and loss statement and other comprehensive income statement.

4. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

The company's detailed trade receivables are as follows as of the date of balance sheet:

Short term trade receivables	December 31, 2015	December 31, 2014
Trade receivables	88,921,834	112,696,429
Trade Receivables From Affiliated Parties (Footnote: 3)	8,431,089	4,573,264
Bills receivable	113,584,665	108,747,731
Bad trade debt	33,855,055	21,524,440
Provisions for bad trade debt (-)	(33,855,055)	(21,524,440)
Trade receivables rediscount	(1,912,250)	(1,658,373)
	209,025,338	224,359,051

The company's standard maturity term for its commercial receivables is between 30 to 60 days (31 December 2014: Between 30 to 60 days). The company's effective interest rates for TRY, Euro and US Dollar is 18%, 12% and 12% respectively (31 December 2014: 18%, 9% and 9% annually).

Provisions for doubtful trade receivables are set based on past experience of non-collection. Foreign exchange differences that accrued in relation to bad debts in foreign currency are included in provisions and the same amount is reflected in foreign exchange profits and losses.

The company's doubtful trade receivables are as follows:

Movements of provisions for bad trade debt	January 1 - December 31, 2015	January 1 - December 31, 2014
Opening balance	(21,524,440)	(18,570,411)
Period cost (Footnote: 19)	(8,063,665)	(1,692,273)
Changes due to foreign exchange differences	(4,266,950)	(1,261,756)
Closing balance	(33,855,055)	(21,524,440)

Explanations pertaining to the nature and extent of risks applicable to trade receivables are given in footnote 25.

Factoring transactions with regards to trade receivables:

The company performs irrevocable factoring transactions for its domestic and export-basis trade receivables. As per the provisions of the factoring contract, such receivables are the company's receivables and liabilities are clearly shown in the attached financial statements. Total amount of receivables assigned to factoring company as of December 31, 2015 is 16,438,835 TRY (December 31, 2014: 14,114,454 TRY).

b) Trade Payables:

The company's detailed trade payables are as follows as of the date of balance sheet:

Short term trade payables	December 31, 2015	December 31, 2014
Trade payables	388,113,136	387,430,085
Trade payables to affiliated parties (Footnote:3)	23,365,943	21,172,108
Discount on trade payables	(510,582)	(207,220)
Expense accruals	12,889,525	18,628,248
	423,858,022	427,023,221

The average maturity for the company's trade payables is 123 days (31 December 2014: 90 days). The company's effective interest rates for TRY, Euro and US Dollar is 0%, 4.8% and 4.8% respectively. (31 December 2014: 0%, 4.8% and 4.8%).

The Group has financial risk management policies in place, adopted in order to ensure that all obligations are paid within the time periods allowed in credit plans.

Explanations pertaining to the nature and level of risks applicable to trade receivables are given in footnote 25.

5. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

Other Short Term Receivables	December 31, 2015	December 31, 2014
Deposits and Collaterals Given	59,142	110,384
Other bad debt	28,195	28,195
Provisions of other bad debt (-)	(28,195)	(28,195)
Miscellaneous receivables	29,629	49,428
	88,771	159,812

b) Other Payables

Other Short Term Liabilities	December 31, 2015	December 31, 2014
Other Liabilities to Affiliated Parties	61,532	135,144
	61,532	135,144

6. INVENTORIES

	December 31, 2015	December 31, 2014
Raw material	24,988,453	22,783,009
Semi-finished products	27,417,521	22,895,964
Finished goods	58,805,175	41,585,509
Trading goods	5,828,309	5,138,324
Provisions for inventory value decreases (-)	(6,526,164)	(1,790,215)
	110,513,294	90,612,591

Sum of 626,511,912 TRY of the cost of products sold of the Group in the period between January 1 - December 31, 2015, (625,288,546 in the period between January 1 - December 31, 2014) is for raw material consumption.

Movements in provisions for inventory value decreases	January 1 - December 31, 2015	January 1 - December 31, 2014
Opening balance	(1,790,215)	(1,623,338)
Provisions set aside in the period (Footnote: 19)	(4,735,949)	(166,877)
Closing balance	(6,526,164)	(1,790,215)

7. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses	December 31, 2015	December 31, 2014
Advance orders placed for projects	11,597,934	2,479,553
Prepaid Expenses for Future Months (*)	2,857,952	1,567,753
	14,455,886	4,047,306

(*) This consists of insurance costs that has yet to accrue and does not exceed one year.

Long Term Prepaid Expenses	December 31, 2015	December 31, 2014
Expenses for Future Years (*)	365,805	97,263
	365,805	97,263

(*) This consists of insurance costs that has yet to accrue and exceeds one year.

Short Term Deferred Revenues	December 31, 2015	December 31, 2014
Advance orders received (*)	17,023,964	9,568,192
	17,023,964	9,568,192

(*) consists of advances received from customers in relation to cable sales.

Long Term Deferred Revenues	December 31, 2015	December 31, 2014
Advance orders received (*)	20,939,648	36,797,048
	20,939,648	36,797,048

(*) 6,576,355 Eur (20,897,026 TRY) of the advance orders received consists of Lapseki - Sütluce 2 380 kV Submarine Cable Project 2 (Footnote: 17)

8. TANGIBLE LONG TERM ASSETS

	Land Properties	Buildings	Plant, Machinery and Equipment	Vehicles, Furniture and Fixtures	Special Costs	Long Term Assets Under Construction	Total
Cost Value							
Opening balance as of January 01, 2015	3,164,360	44,737,361	206,051,278	24,509,639	77,543	1,158,847	279,699,028
Purchases	-	1,275,855	4,893,893	1,144,150	-	-	7,313,898
Outgoing	-	-	-	(186,778)	-	-	(186,778)
Transfers	-	-	1,158,847	-	-	(1,158,847)	-
Closing balance as of December 31, 2015	3,164,360	46,013,216	212,104,018	25,467,011	77,543	-	286,826,148
Accumulated Amortization							
Opening balance as of January 01, 2015	-	(26,411,734)	(188,770,791)	(22,630,627)	(77,515)	-	(237,890,667)
Period cost	-	(798,204)	(3,946,467)	(731,831)	-	-	(5,476,502)
Outgoing	-	-	-	179,312	-	-	179,312
Closing balance as of December 31, 2015	-	(27,209,938)	(192,717,258)	(23,183,146)	(77,515)	-	(243,187,857)
Net carrying value as of December 31, 2015	3,164,360	18,803,278	19,386,760	2,283,865	28	-	43,638,291
Cost Value							
Opening balance as of January 01, 2014	3,164,360	44,683,732	205,082,424	24,250,575	77,543	319,464	277,578,098
Purchases	-	53,629	968,854	571,372	-	839,383	2,433,238
Outgoing	-	-	-	(312,308)	-	-	(312,308)
Closing balance as of December 31, 2014	3,164,360	44,737,361	206,051,278	24,509,639	77,543	1,158,847	279,699,028
Accumulated Amortization							
Opening balance as of January 01, 2014	-	(25,637,498)	(184,484,410)	(22,241,944)	(77,515)	-	(232,441,367)
Period cost	-	(774,236)	(4,286,381)	(686,852)	-	-	(5,747,469)
Outgoing	-	-	-	298,169	-	-	298,169
Closing balance as of December 31, 2014	-	(26,411,734)	(188,770,791)	(22,630,627)	(77,515)	-	(237,890,667)
Net carrying value as of December 31, 2014	3,164,360	18,325,627	17,280,487	1,879,012	28	1,158,847	41,808,361

Amortization times pertaining to tangible long term assets are as follows:

	Economic Life
Buildings	20-50 years
Plant, Machinery and Equipment	5-15 years
Vehicles	5 years
Fixtures	2-5 years
Special Costs	5-10 years

The Group has a total amortization cost of 5,537,929 TRY, namely 5,476,502 TRY for tangible long term assets and 61,427 TRY for intangible long term assets as of December 31, 2015. Of the aforementioned amortization costs, 4,815,493 TRY was reflected in production costs, 408,058 TRY was reflected in general management overhead, 266,377 TRY was reflected in marketing costs, and 48,001 was reflected in research and development costs.

The Group has a total amortization cost of 5,760,535 TRY, namely 5,747,469 TRY for tangible long term assets and 13,066 TRY for intangible long term assets as of December 31, 2014. Of the aforementioned amortization costs, 5,141,891 TRY was reflected in production costs, 329,847 TRY was reflected in general management overhead, 216,542 TRY was reflected in marketing costs, and 72,255 was reflected in research and development costs.

9. INTANGIBLE LONG TERM ASSETS

Cost Value	Rights
Opening balance as of January 01, 2015	1,063,537
Purchases	253,007
Closing balance as of December 31, 2015	1,316,544
Accumulated Amortization	
Opening balance as of January 01, 2015	(983,068)
Period cost	(61,427)
Closing balance as of December 31, 2015	(1,044,495)
Net carrying value as of December 31, 2015	272,049

Cost Value	Rights
Opening balance as of January 01, 2014	1,011,923
Purchases	51,614
Closing balance as of December 31, 2014	1,063,537
Accumulated Amortization	
Opening balance as of January 01, 2014	(970,002)
Period cost	(13,066)
Closing balance as of December 31, 2014	(983,068)
Net carrying value as of December 31, 2014	80,469

Other intangible long term assets consists of software programs used throughout the Group.

Amortization periods for intangible long term assets are as follows:

	Economic Life
Rights	8-20 years

10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions

Short term provisions	December 31, 2015	December 31, 2014
Provisions resulting from purchasing contract (*)	2,856,428	-
Various provisions pertaining to projects (**)	2,190,649	-
Cost accruals pertaining to international service contracts	1,970,547	676,746
Provisions for guarantees	-	157,300
Provisions pertaining to personnel	921,340	442,015
Provisions of taxes payable in relation to projects (***)	795,825	-
Provisions pertaining to intra-company organizations	222,300	-
Provisions of maintenance and repair costs	198,448	-
Other	494,897	110,025
	9,650,434	1,386,086

(*) These are the provisions resulting from the purchasing contracts that the Company signed in relation to contracts that are in ordering phase.

(**) These are the provisions to cover shipment, product type problems and additional costs pertaining to projects.

(***) Provisions of various types of tax that is expected to be paid.

Movements in short term provisions that occurred as of December 31, 2015 and 2014 are given in the following table:

	Provisions arising from purchasing contract	Various provisions pertaining to contracts	Provisions of premiums and tax pertaining to projects	Other Provisions	Total
As of January 01, 2015	-	-	-	1,386,086	1,386,086
Additional provision	2,856,428	2,190,649	795,825	2,421,446	8,264,348
As of December 31, 2015	2,856,428	2,190,649	795,825	3,807,532	9,650,434
				Other provisions	Total
As of January 01, 2014				557,185	557,185
Additional provision				828,901	828,901
As of December 31, 2014				1,386,086	1,386,086

Long term provisions	December 31, 2015	December 31, 2014
Provisions for guarantees	445,215	380,178
Provisions for litigations (*)	1,546,118	1,691,265
	1,991,333	2,071,443

(*) This sum is the provisions set aside to cover certain litigations filed against the Group by several parties. Provision amount is recognized in profit and loss table as general management overhead. The sum dated December 31, 2015 is expected to be consumed within one year. In the Management's opinion, with a favorable verdict, aforementioned litigations should not result in any loss that would exceed the provision set aside as of December 31, 2015.

Movements in provisions of guarantees and litigations that occurred as of December 31, 2015 and 2014 are given in the following table:

	Provisions of guarantees	Provisions of Litigations	Total
As of January 01, 2015	380,178	1,691,265	2,071,443
Additional provision	65,037	(145,147)	(80,110)
As of December 31, 2015	445,215	1,546,118	1,991,333
	Provisions of guarantees	Provisions of litigations	Total
As of January 01, 2014	380,178	1,115,083	1,495,261
Additional provision	-	277,826	277,826
Differences in foreign exchange rates	-	298,356	298,356
As of December 31, 2014	380,178	1,691,265	2,071,443

11. UNDERTAKINGS

Collaterals-Pledges-Liens ("TRI")

Tables of the Group's collateral/pledges/liens position as of December 31, 2015 and December 31, 2014 is given below:

	December 31, 2015	December 31, 2014
A. Total Sum of Collaterals Given by the Group for Its Own Legal Person:	99,728,441	53,999,005
B. Total Sum of Collaterals Given by the Group for Partnerships in the Scope of Consolidation:	62,356,037	77,777,028
<i>-Eur</i>	19,623,627	27,573,662
C. Total Sum of Collaterals, Pledges, Liens Given for Guaranteeing 3rd Parties Debts in the Ordinary Course of the Business:	-	-
D. Total Sum of Other Collaterals, Pledges and Liens Given	-	-
<i>i. Total Sum of Collaterals, Pledges and Liens Given for the Main Partner</i>	-	-
<i>ii. Total Sum of Collaterals, Pledges and Liens Given for Group Companies That Are Excluded in Items B and C</i>	-	-
<i>iii. Total Sum of Collaterals, Pledges and Liens Given for Third Parties That Are Excluded in Item C</i>	-	-
TOTAL	162,084,478	131,776,033

The Group does not have other types of collaterals, pledges and liens given (December 31, 2014: There is none).

Letters of guarantee set forth in paragraph A consists of performance bonds given by the Group to customs authorities, several contracting authorities and buyers under various sales contracts. Letters of guarantee set forth in paragraph D, with a total of 62,356,037 TRY (19,623,627 Eur), were given as required by the consortium partnership established by and between the Group and Prysmian Power Link Srl.

The Group's open export credit contract debt as of December 31, 2015 is 5,918,259 USD (December 31, 2014: 3,203,968 USD).

12. EMPLOYEE BENEFITS

Payables in form of employee benefits

	December 31, 2015	December 31, 2014
Due to personnel	644,533	1,073,622
Social security premiums payable	681,104	564,325
Taxes and funds payable	658,581	578,544
	1,984,218	2,216,491

Short term provisions for employee benefits

	December 31, 2015	December 31, 2014
Provisions for personnel premiums	2,021,561	598,253
Provisions for unused leaves	886,903	690,098
	2,908,464	1,288,351

Movements in provisions of guarantees and litigations that occurred as of December 31, 2015 and 2014 are given in the following table:

Table of movements in provisions of premiums	January 1 - December 31, 2015	January 1 - December 31, 2014
Provision as of January 1	598,253	1,333,814
Provision Paid/Canceled	1,423,308	(735,561)
Provision as of December 31, 2015	2,021,561	598,253

Table of movements in provisions of leaves	January 1 - December 31, 2015	January 1 - December 31, 2014
Provision as of January 1	690,098	703,819
Provision Paid/Canceled, net	196,805	(13,721)
Provision as of December 31, 2015	886,903	690,098

Long term provisions for employee benefits

	December 31, 2015	December 31, 2014
Provisions of seniority pays	6,116,361	7,662,612
	6,116,361	7,662,612

As per the provisions of Republic of Turkey's Labor Code, the Group is obligated to provide seniority pays to those staff members who -upon working in the Group at least one year- retire after completion of a 25-year of professional career (subject to lower age limit of 58 for women and 60 for men), those who were dismissed, called for military service or deceased.

Seniority pay is subject to 3,541.37 TRY as of December 31, 2015 (2014: 3,438.22 TRY).

From a legal perspective, seniority pay liability is not subject to a funding. Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. TAS 19 *Employee Benefits Standard*, provides for that the liabilities of the Group are classified as defined retirement benefit plans using actuarial valuation methods. Accordingly, actuarial assumptions made in calculation of the total liabilities are given below:

Main assumption is that the total sum of liabilities will increase in direct proportion to the inflation for each year of service. Therefore, applicable discount rate corresponds to the real ratio that is expected upon correcting the impacts of future inflation. For this reason, as of December 31, 2015, provisions in the attached consolidated financial tables are calculated by estimating today's value of the potential liability to arise from the retirement of employees. Provisions as of relevant balance sheet dates were calculated using real discount rate, namely approximately 4.76%, as per the yearly 5% inflation rate and 10% interest rate assumptions. Sum of seniority pays that will not be paid and left to the Group as a result of employee's resignation by themselves were assumed to be 98% (December 31, 2014: 98%). Seniority pay cap is revised once in every six months and current cap of 4,092.53 TRY, which is in effect as of January 1, 2015, has been the basis in our calculation of the Group's provisions for seniority pays.

Important estimations made for calculation of the seniority pay are discount rate and probability of employee's willing to resign themselves.

	January 1 - December 31, 2015	January 1 - December 31, 2014
Provision as of January 1	7,662,612	6,490,157
Service cost	896,949	458,042
Interest cost	255,800	497,000
Seniority pays made	(1,940,000)	(1,463,587)
Actuarial (Gain)/Loss	(759,000)	1,681,000
Provision as of December 31	6,116,361	7,662,612

13. COSTS BY TYPES

	January 1 - December 31, 2015	January 1 - December 31, 2014
Raw material costs	(626,511,912)	(625,288,546)
Cost of commercial goods sold	(103,747,333)	(110,562,089)
Logistic costs sales and letters of guarantee commissions	(36,338,980)	(32,763,218)
Production costs	(30,580,807)	(30,474,491)
License and service costs (Footnote: 3)	(23,197,203)	(22,363,674)
Direct labor costs	(17,756,063)	(15,410,932)
Personnel costs	(13,086,695)	(11,500,404)
Amortization costs (Footnote: 8-9)	(5,537,929)	(5,760,535)
Outsourced service costs	(1,842,219)	(1,644,285)
Other costs	(94,354,483)	(73,875,509)
	(952,953,624)	(929,643,683)

14. OTHER ASSETS AND LIABILITIES

Other Floating Assets	December 31, 2015	December 31, 2014
Deferred VAT	35,795,051	10,576,451
Receivables from Tax Office (**)	10,991,291	16,853,019
Advance orders given (*)	7,594,268	8,362,252
Other Floating Assets	1,139,824	393,136
	55,520,434	36,184,858

(*) Consists of value added tax that cannot be offset due to amendment to communique on export sales; recovery process began.

(**) Consists of special consumption tax and other VAT receivables from tax office.

Other Short Term Liabilities	December 31, 2015	December 31, 2014
Taxes, duties and other deductions payable	5,492,689	6,328,842
Other debt and liabilities	315,535	315,528
	5,808,224	6,644,370

15. CAPITAL, RESERVES AND OTHER EQUITY ITEMS**a) Capital / Mutual Contribution Capital Adjustment**

The Group's paid in capital structures as of December 31, 2015 and 2014 are as follows

Shareholders	%	December 31, 2015	%	December 31, 2014
Draka Holding B.V.	83.75	93,991,660	83.75	93,991,660
Other	16.25	18,241,992	16.25	18,241,992
Capital	100.00	112,233,652	100.00	112,233,652

The Group's capital as of December 31, 2015, consists of 112,233,652 shares (112,233,652 shares as of December 31, 2014). Shares' nominal value is 1 TRY per share (December 31, 2014: 1 TRY per share). All issued shares are paid in cash.

b) Limited Profit Reserves

	December 31, 2015	December 31, 2014
Legal reserves	4,421,732	4,421,732
Real estate and affiliate sales revenue exemptions (*)	-	2,978,592
	4,421,732	7,400,324

(*) Corporate Income Tax Code, Code No: 5520 rearranges the Exemption for Real Estate and Participation Sales Revenues and -in contrast to the provisions of the former Corporate Income Tax Code, Code No: 5422; removes the obligation to contribute to the capital. For this reason, 75% of the revenue acquired by sales must be kept in a special fund account until the end of year five commencing with the date of sales. The Group has transferred the aforementioned sum to previous years' profits within 2015.

As per the provisions of the Turkish Commerce Code, 5% of the annual profit is added to the general reserve fund until such time that the general reserve reaches to 20% of the company's paid-in capital. Other legal reserve fund is set aside once dividend, namely five percent of the profit, is distributed to the shareholders, and shall be 10% of the sum that is so distributed. As per the provisions of the Turkish Commerce Code, as long as the general legal reserve fund does not exceed half of the capital or issued capital, it can be used only for purposes of compensating the losses, continuing the business in difficult times and/or preventing or alleviating the unemployment.

Total reserve funds set aside by the Group as of December 31, 2015, is 4,421,732 TRY (December 31, 2014: 7,400,324 TRY)

Distribution of Profit:

Publicly traded companies distribute dividends in accordance with the provisions of Dividend Communique, No: II-19.1, effective February 1, 2014, of the SPK.

Partnerships distribute their dividends in line with the dividend distribution policies that are determined by the general assemblies and as per the provisions of the governing legislation. In the scope of the aforementioned Communique, there isn't a minimum distribution amount set. Companies distribute dividends as defined in their articles of association or in their dividend distribution policies.

It was decided in the Ordinary General Assembly Meeting dated March 27, 2015, that profit distribution to be skipped.

16. REVENUE

a) Sales	January 1 - December 31, 2015	January 1 - December 31, 2014
Domestic sales	1,194,734,351	1,127,764,491
Export sales	286,796,414	276,764,905
Sales rebates (-)	(491,788,276)	(443,080,538)
	989,742,489	961,448,858

A price list is prepared on product basis by the sales department a few times a year or whenever necessary depending on the changes that occur in raw material prices and foreign exchange rates.

Sales rebate and discount policies applicable to sales conducted are determined solely on basis of the market conditions and full competition conditions irrespective of the sales being domestic or international or intragroup.

Cost of sales	January 1 - December 31, 2015	January 1 - December 31, 2014
Raw material costs	(626,511,912)	(625,288,546)
Personnel costs	(17,756,063)	(15,410,932)
General production costs	(30,580,807)	(30,474,491)
Amortization costs (Footnote: 8)	(4,815,493)	(5,141,891)
Cost of commercial goods sold	(103,747,333)	(110,562,089)
Cost of services sold	(86,445,187)	(67,168,349)
	(869,856,795)	(854,046,298)

In addition, total personnel cost included in general production costs is 24,523,209 TRY for 2015 (2014: 20,822,902 TRY)

17. CONSTRUCTION CONTRACTS

	December 31, 2015	December 31, 2014
Costs of ongoing works	305,400,824	167,690,816
Profits recorded minus losses (net)	50,683,621	25,449,422
	356,084,445	193,140,238
Minus: Actual remunerations (-)	(318,000,674)	(134,020,091)
	38,083,771	59,120,147

Remunerations and costs accrued in consolidated financial statements are as follows:

	December 31, 2015	December 31, 2014
Receivables under ongoing construction contracts	38,083,771	59,120,147
	38,083,771	59,120,147

The Group bases the reflection of the revenues and costs in financial tables on the percentage of completion of the contract activities. Contracts for ongoing works signed by the Group in the previous year that are completed or ongoing are as follows:

a) Lapseki – Sutluce 380 kV Submarine Cable Project:

The Group has signed the contract for the aforementioned construction works on September 19, 2012. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 99% completion rate.

b) Çalık Turkmenistan 110 kV Cable and Accessories Project:

The Group has signed the contract for the aforementioned construction works on April 29, 2013. In relation to the aforementioned construction works, a budget revision was made and the Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 94% completion rate.

c) Habaş / Aliağa- İzmir 154 Kv Cable and Accessories Project:

The Group has signed the contract for the aforementioned construction works on October 07, 2013. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 13% completion rate.

d) Çiğdem GIS-Alstrom 154 Kv Cable and Accessories Project:

The Group has signed the contract for the aforementioned construction works on August 20, 2014. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 60% completion rate.

e) Lapseki_2 - Sütluce_2 380 kV Submarine Project:

The Group has signed the contract for the aforementioned construction works on December 04, 2014. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 47% completion rate.

f) MDC Esenyurt 154 kV Cable and Accessories Project:

The Group has signed the contract for the aforementioned construction works on February 11, 2015. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 83% completion rate.

g) TKABY. 25 TEİAŞ Bozyaka TM- Karabağlar TM 154 kV Project:

The Group has signed the contract for the aforementioned construction works on June 09, 2014. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 97% completion rate.

h) TKABY.30 Akköprü TM- Balgat TM 154 kV Cable and Accessories Project:

The Group has signed the contract for the aforementioned construction works on Thursday, February 26, 2015. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 55% completion rate.

i) Çalık - Türkmenistan AST-2 Project V Project :

The Group has signed the contract for the aforementioned construction works on August 11, 2015. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 67% completion rate.

j) Emta - TEİAŞ Alibeyköy-Küçükköy and Alibeyköy-İkitelli 154 kV Project:

The Group has signed the contract for the aforementioned construction works on September 01, 2015. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 64% completion rate.

k) Alstrom - ITM.124 154 kV Erenköy Project:

The Group has signed the contract for the aforementioned construction works on March 26, 2015. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 58% completion rate.

l) TKABY.32, (Ambarlı-Hadımköy) Brş N -Esenyurt GIS TM 154 kV Project:

The Group has signed the contract for the aforementioned construction works on August 28, 2015. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 16% completion rate.

m) Şa-ra Esenyurt- ITM.125 - MTF 8337 - 154 kV , 1X630 mm2 XLPE Power Cables and Cable Cap Project:

The Group has signed the contract for the aforementioned construction works on September 15, 2015. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 1% completion rate.

n) Star Rafineri - 154 kV ENH Project:

The Group has signed the contract for the aforementioned construction works on October 21, 2015. The Group has reflected in financial statements, the revenues and costs of the aforementioned construction works as of the current period based on 1% completion rate.

18. GENERAL MANAGEMENT OVERHEAD, MARKETING COSTS, RESEARCH AND DEVELOPMENT

	January 1 - December 31, 2015	January 1 - December 31, 2014
General management overhead (-)	(33,586,919)	(31,210,918)
Marketing costs (-)	(47,542,000)	(42,640,318)
Research and development costs (-)	(1,967,910)	(1,746,149)
	(83,096,829)	(75,597,385)

Details of General Management Overhead

	January 1 - December 31, 2015	January 1 - December 31, 2014
License and service costs (Footnote: 3)	(23,197,203)	(22,363,674)
Personnel costs	(5,805,806)	(5,636,713)
Outsourced service costs	(1,334,335)	(1,098,654)
Amortization costs (Footnote: 8-9)	(408,058)	(329,847)
Other general management overhead	(2,841,517)	(1,782,030)
	(33,586,919)	(31,210,918)

b) Details of Marketing Costs

	January 1 - December 31, 2015	January 1 - December 31, 2014
Logistic costs sales and letters of guarantee commissions	(36,338,980)	(32,763,218)
Personnel costs	(6,211,020)	(4,991,712)
Amortization costs (Footnote: 8-9)	(266,377)	(216,542)
Other sales and distribution costs	(4,725,623)	(4,668,846)
	(47,542,000)	(42,640,318)

c) Details of Research and Development Costs

	January 1 - December 31, 2015	January 1 - December 31, 2014
Personnel costs	(1,069,869)	(871,979)
Outsourced service costs	(507,884)	(545,631)
Amortization costs (Footnote: 8-9)	(48,001)	(72,255)
Other costs	(342,156)	(256,284)
	(1,967,910)	(1,746,149)

19. OTHER OPERATING REVENUES AND COSTS

Details of other revenues made in main fields of activity in the years that ended on December 31, 2015 and 2014 are as follows:

Other Revenues from Main Activities

	January 1 - December 31, 2015	January 1 - December 31, 2014
Revenues made from derivative financial instruments for trade	57,760,183	14,070,408
Valuation revenues pertaining to derivative financial instruments for trade	127,799	3,316,286
Installment plan revenues for trade receivables	7,715,532	929,291
Cost reflection expenses (*)	2,773,517	1,992,100
Interest revenues	1,899,217	1,615,827
Other revenues	504,187	(53,104)
	70,780,435	21,870,808

(*) In order to ensure that the persons that are relocated to affiliate companies abroad do not lose their legal entitlements, the Group continue to pay for Social Security Institution premiums and other costs of these persons. Such sums paid are then charged to relevant affiliate companies. This does not have any net effect on the Group's profit and loss statement and other comprehensive income statement. In 2015, 1,527,328 TRY portion consists of invoices to Group companies in order to reflect the aforementioned costs (2014: 1,434,037 TRY) (Footnote: 3).

Other Costs of Main Activities

	January 1 - December 31, 2015	January 1 - December 31, 2014
Actual costs accrued pertaining to derivative financial instruments for trading.	(20,376,406)	(17,288,764)
Valuation costs pertaining to derivative financial instruments for trading.	(9,156,683)	(984,203)
Foreign exchange costs pertaining to trade activities, net	(42,416,115)	(12,516,565)
Costs of provisions for bad debt (Footnote: 4)	(8,063,663)	(1,692,273)
Financing costs of trade activities	(2,827,684)	(6,269,665)
Inventory provision costs, net (Footnote: 6)	(4,735,949)	(166,877)
Other costs	(244,549)	(588,388)
	(87,821,049)	(39,506,735)

20. OTHER REVENUES FROM INVESTMENT ACTIVITIES

Details of other revenues from investment activities that took place in years ending on December 31, 2015 and 2014 are as follows:

	January 1 - December 31, 2015	January 1 - December 31, 2014
Capital asset sales revenues	286,855	152,626
	286,855	152,626

21. ANALYSIS OF OTHER COMPREHENSIVE REVENUE ITEMS

	December 31, 2015	December 31, 2014
Revaluation (Losses) / Gains of the Defined Benefit Plans	607,200	(1,344,800)
	607,200	(1,344,800)

Table of movements of other comprehensive revenue items is given below:

Defined benefit plans measurement gains movements table

	January 1 - December 31, 2015	January 1 - December 31, 2014
Balance as of the beginning of the period	(1,344,800)	216,800
Period profit / (loss) (Footnote: 12)	1,952,000	(1,561,600)
Balance as of end of the period	607,200	(1,344,800)

22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Assets Regarding Current Period Tax	December 31, 2015	December 31, 2014
Withholding taxes paid pertaining to long term construction and repair works	16,951,337	8,642,651
Provisional tax receivable	117,947	2,400,081
Withholding taxes of banks	336,716	309,466
	17,406,000	11,352,198

	December 31, 2015	December 31, 2014
Current tax liability		
Provision of current corporate income tax	8,956,808	-
Minus: Prepaid taxes and funds	(117,947)	(2,400,081)
	8,838,861	(2,400,081)

Tax expenditure consists of the following:	January 1 - December 31, 2015	January 1 - December 31, 2014
Current tax expenditure	(8,956,808)	-
Deferred tax (income) / expenditure	2,754,714	(2,511,400)
Total tax expenditure	(6,202,094)	(2,511,400)

Impacts of tax pertaining to other comprehensive revenue are given below:

	January 1 - December 31, 2015			January 1 - December 31, 2014		
	Before tax amount	Tax expenditure income	After tax amount	Before tax amount	Tax expenditure income	After tax amount
Actuarial valuation and measurement (losses) and gains from retirement plans	759,000	(151,800)	607,200	(1,681,000)	336,200	(1,344,800)
Other comprehensive income / (cost) in the period	759,000	(151,800)	607,200	(1,681,000)	336,200	(1,344,800)

Corporate Income Tax

The Group is subject to Republic of Turkey's corporate income tax. Provisions are set aside in the consolidated financial tables attached for the estimated tax obligations of the Group resulting from the activities in the current period. Turkish tax legislation allows the Group, which is the main partnership, to submit tax return based on the consolidated financial statements where affiliates results are consolidated. Accordingly, tax obligations reflected on the consolidated financial statements are calculated individually for all companies included in the scope of the consolidation.

The rate of corporate tax to be accrued over taxable corporate yield is calculated over the taxable amount remaining after the addition of the expenses not deducted from the taxable amount posted as expenditure items for the purposes of determination of trade profits and after deduction of tax-exempt profits, non-taxable incomes and other discounts (historic losses if any and investment discounts utilized if preferred).

Effective tax rate applicable to year 2015 is 20% (2014: 20%).

Deferred Tax

The Group accounts for deferred tax asset and liability for interim timing differences originating from the differences between their financial statements constituting the basis for legal tax obligation and their financial tables prepared in accordance with TAS. Aforementioned differences are usually due to differences in certain revenue and cost items in financial tables constituting the basis for legal tax obligation and those financial tables prepared in accordance with TAS, and are noted below.

Tax rate applicable to calculation of deferred tax assets and liabilities is 20% (2014: 20%).

Because enterprises are not allowed to submit consolidated tax returns in Turkey, affiliates that does not have deferred tax assets are not consolidated with those that have deferred tax assets, and are shown separately.

Deferred tax (assets) / liabilities:	December 31, 2015	December 31, 2014
Amortization of tangible assets / depreciation differences of other intangible assets	517,318	635,600
Provisions of seniority pays	(1,223,272)	(1,532,522)
Revenue accruals for long term construction works	4,324,610	5,305,499
Net difference between recognized value of inventories and tax bases	(422,291)	(258,601)
Purchasing bonuses	-	40,220
Trade receivables	(2,025,457)	(746,534)
Trade Payables	102,116	41,444
Provisions for litigations	(309,224)	(338,253)
Provisions for leaves	(177,381)	(138,020)
Derivative instruments	(267,774)	1,538,002
Provisions of taxes payable in relation to projects	(159,165)	-
Provisions resulting from purchasing contract	(571,286)	-
Various provisions pertaining to projects	(438,130)	-
Provisions pertaining to personnel	(184,268)	(88,403)
Other short term provisions	(183,129)	-
Past years' losses	-	(3,227,633)
Other	(713,932)	(359,149)
	(1,731,264)	871,650

As of balance sheet date, the Group does not have unused tax losses that can potentially be netted (2014: 16,138,162 TRY). The group has used its past years' losses in 2015.

The Group recognized 3,227,663 TRY deferred tax assets pertaining to year 2014 for the aforementioned losses.

Past years' losses, for which deferred tax assets were set aside, have been used in 2015.

	December 31, 2015	December 31, 2014
will end on 2019	-	5,750,552
will end on 2020	-	10,387,610
	-	16,138,162

Movements of deferred tax (assets) / liabilities for the year that ended on December 31, 2015, are given below:

Deferred tax (asset) / liability movements:	January 1 - December 31, 2015	January 1 - December 31, 2014
Opening balance as of January 01, 2015	871,650	(1,303,550)
Recognized in profit and loss statement	(2,754,714)	2,511,400
Recognized under equities	151,800	(336,200)
Closing balance as of January 01, 2015	(1,731,264)	871,650

Reconciliation of the period tax obligation with the period profit is as follows

Reconciliation of provision of tax:	January 1 - December 31, 2015	January 1 - December 31, 2014
Profit before tax from activities	20,035,106	14,321,874
Income tax rate is 20%	4,007,021	2,864,375
Tax effect:		
- Non-deductible expenses	386,750	320,926
- Other	1,808,323	(673,901)
Cost of tax provision in the profit and loss statement	6,202,094	2,511,400

23. PROFIT PER SHARE

(Loss) / Profit per share	January 1 - December 31, 2015	January 1 - December 31, 2014
Average number of shares throughout the period	112,233,652	112,233,652
Net period profit of main company shareholders	13,833,012	11,810,474
Gain / (loss) per share from ongoing and discontinued activities (TRY)	0.1233	0.1052

24. DERIVATIVE INSTRUMENTS

	December 31, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Currency forward transactions	4,228,269	(5,567,141)	14,184,693	(6,494,681)
Short term	4,228,269	(5,567,141)	14,184,693	(6,494,681)
Long term	-	-	-	-
	4,228,269	(5,567,141)	14,184,693	(6,494,681)

Currency derivative transactions:

The Group makes use of currency derivative instruments in order to protect its important future transactions and cash flows. The Group is party to various currency forward contracts and options based on the management of fluctuations of the foreign exchange rates. Derivative instruments bought are basically in currencies that are the principle currencies of the markets where the Group has activities.

Total nominal value of the currency forward contracts of which the group is responsible as of the balance date is as follows:

	December 31, 2015	December 31, 2014
Currency forward contracts	216,521,396	217,948,501
	216,521,396	217,948,501

Aforementioned contracts are about the foreign exchange rate risks of 2015, and are renewed as necessary.

Change in fair value of foreign exchange derivative transactions worth 216,521,396 TRY, for purposes other than protection from the financial risks, is reflected in the income statement. (2014: 217,948,501 TRY).

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**a) Capital Risk Management**

In relation to capital management, the group strives to ensure sustainability of its activities, while aiming to increase its profits by making best use of the balance between payables and equity

To maintain and regulate its capital structure, the Group may change the amount of dividends payable to shareholders, return the capital to the shareholders, may issue new shares and sell its assets in order to reduce borrowing.

The Group reviews the capital based on the leverage ratio in order to fall in line with other companies in the industry. The said ratio is calculated by dividing total net payables to total capital. And net payables is calculated by deducting cash and cash equivalents from the total loan amount (with the inclusion of current and non-current loans in the consolidated financial statement). The total capital is calculated by the addition of the "equity" item and the net payables in the consolidated statement.

The ratio of equities to payables as of 31 December 2015 and 2014 is as follows:

	2015 TRY	2014 TRY
Total Payables	504,866,149	502,159,289
Minus: Cash and Cash Equivalents	162,791,883	158,967,234
Net Debt	342,074,266	343,192,055
Total Equities	153,254,906	138,814,694
Equities/Payables Ratio	45%	40%

b) Financial Risk Factors

The group is exposed to market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risks due to its operations. The group's risk management program focuses mainly on minimizing the potential negative impacts of uncertainty in financial markets on the group's financial performance. The Group utilizes derivatives in order to protect from various financial risks.

Risk management is conducted by a central treasury unit in line with the policies approved by the Board of Directors. As per risk policies, financial risks are defined and reviewed by the Group's treasury unit and instruments aimed to minimize the risks are utilized together with the group's operational units. The Board of Directors creates a general written document relating to risk management and written procedures aimed at the utilization of foreign currency risks, interest risk, borrowing risk, derivatives and other non-derivative financial instruments and procedures that include various types of risks such as how surplus liquidity will be utilized.

b.1) Credit risk management

Borrowing risks the group is exposed to by types of financial instruments	Receivables				Bank Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Affiliated Party	Other Party	Affiliated Party	Other Party		
December 31, 2015						
Maximum credit risk the Group is exposed to as of the reporting date (*)	8,431,089	200,594,249	-	-	159,689,215	4,228,269
- The portion of maximum risk guaranteed by collaterals etc. (**)	-	54,806,621	-	-	-	-
A. Net carrying value of non-due or non-depreciated financial assets	7,518,282	196,372,606	-	-	159,689,215	4,228,269
B. Net carrying value of overdue but non-depreciated financial assets	912,807	1,667,512	-	-	-	-
C. Net carrying value of depreciated assets	-	2,554,131	-	-	-	-
- Overdue (gross carrying value)	-	36,409,186	-	-	-	-
- Depreciation (-)	-	(33,855,055)	-	-	-	-
- Portion of net carrying value secured by collaterals etc.	-	2,598,581	-	-	-	-
- Non-due (gross carrying value)	-	-	-	-	-	-
- Depreciation (-)	-	-	-	-	-	-
- Portion of net carrying value secured by collaterals etc.	-	-	-	-	-	-
D. Elements containing non-balance sheet borrowing risks	-	-	-	-	-	-

(*) Elements that cause an increase in credit reliability such as collaterals received are ignored in determining the amount

(**) Collaterals are surety bonds, surety checks and liens received from the customer.

Borrowing risks the group is exposed to by types of financial instruments	Receivables				Bank Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Affiliated Party	Other Party	Affiliated Party	Other Party		
December 31, 2014						
Maximum credit risk the Group is exposed to as of the reporting date (*)	4,573,264	219,785,787	-	-	157,554,294	14,184,693
- The portion of maximum risk guaranteed by collaterals etc. (**)	-	63,147,717	-	-	-	-
A. Net carrying value of non-due or non-depreciated financial assets	4,535,046	206,659,102	-	-	157,554,294	14,184,693
B. Net carrying value of due but non-depreciated financial assets	38,218	1,624,120	-	-	-	-
C. Net carrying value of depreciated assets	-	11,502,565	-	-	-	-
- Overdue (gross carrying value)	-	33,027,005	-	-	-	-
- Depreciation (-)	-	(21,524,440)	-	-	-	-
- Portion of net carrying value secured by collaterals etc.	-	7,163,285	-	-	-	-
- Non-due (gross carrying value)	-	-	-	-	-	-
- Depreciation (-)	-	-	-	-	-	-
- Portion of net carrying value secured by collaterals etc.	-	-	-	-	-	-
D. Elements containing non-balance sheet borrowing risks	-	-	-	-	-	-

(*) Elements that cause an increase in credit reliability such as collaterals received are ignored in determining the amount

(**) Collaterals are surety bonds, surety checks and liens received from the customer.

Risk of one or more third party's/parties' causing a financial loss to the Group due to non-performance by the third party/parties of their contractual liabilities under the financial instrument is described as credit risk. The group struggles to carry out its operations only with credit-worthy parties and, where possible, reduce its credit risks by getting sufficient amount of collaterals. Credit risks that the Group is exposed to and the customers' credit ranking are being monitored on a continual basis. Credit risks are controlled through margins set by customers and reviewed and approved by the risk management committee on an annual basis.

Trade receivables include many customers in various sectors and geographical regions. The customers are continually reviewed for credit risks over their balance of trade receivables, and their receivables are insured where and as necessary.

Announcements relating to the creditworthiness of financial assets

The credit quality of non-due and non-depreciated financial assets is evaluated as per external evaluation and retrospective internal ranking data as follows:

Trade receivables	December 31, 2015	December 31, 2014
As per internal ranking data;		
Group 1	7,160,117	4,293,403
Group 2	196,730,771	193,624,420
Group 3	-	13,276,325
	203,890,888	211,194,148
Total trade receivables	209,025,338	224,359,051

Group 1 - New customers / affiliate parties with whom the Group have been collaborating for a time period shorter than 6 months

Group 2 - Customers / affiliate parties with whom the Group have been collaborating for a time period longer than 6 months and haven't had any collection issues

Group 3 - Customers / affiliate parties with whom the Group have been collaborating for a time period longer than 6 months and have had some collection issues

Provisions for doubtful financial assets are set based on past experience of non-collection.

Cash and cash equivalents	December 31, 2015	December 31, 2014
A (*)	159,689,215	157,554,294
	159,689,215	157,554,294
Derivative instruments	December 31, 2015	December 31, 2014
A (*)	4,228,269	14,184,693
	4,228,269	14,184,693

(*) This represents the credit ratings of relevant banks as determined by rating organizations.

Aging of overdue receivables is as follows:

	December 31, 2015	December 31, 2014
	Trade Receivables	Trade Receivables
1-30 days after maturity	4,521,369	8,289,140
1-3 months after maturity	4,292,263	421,754
3-12 months after maturity	372,600	7,920,324
1-5 years after maturity	7,854,455	683,220
5+ years after maturity	21,956,894	17,374,904
Total overdue receivables	38,997,581	34,689,342
Portion secured by collaterals etc.	4,555,875	8,223,032

Collaterals received for those overdue trade receivables for which provisions were set aside as of the date of balance sheet are as follows:

Provisions received for overdue trade receivables for which provisions were set aside

	December 31, 2015	December 31, 2014
Collaterals received	2,598,581	7,163,285
	2,598,581	7,163,285

b.2) Liquidity risk management

The main responsibility for liquidity risk management lies with the board of directors. The board of directors created a favorable liquidity risk management for the short, medium and long-term funding and liquidity requirements of the group management. The group manages the liquidity risks by regularly monitoring the estimated and actual cash flows and maintaining sufficient funds and borrowing reserves by way of matching the terms of financial assets and liabilities.

The following table shows the term distribution of the group's non-derivative and derivative financial liabilities. Non-derivative financial liabilities are prepared without discount and based on the earliest possible dates of payment. Interests payable over the said interest rates are included in the following table. Derivative financial liabilities are arranged according to the non-discounted net cash entry and exits. Term transaction instruments are paid net for gross payable term transactions and are realized over the non-discounted, gross cash entries and exits. The amounts announced when the receivables and payables are not even is set using the interest rate obtained from the earning curves on the report date.

Liquidity risk table:

December 31, 2015

Terms as per the contract	Carrying value	Total cash exits as per the contract				
		(I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Trade Payables	423,858,022	423,858,022	286,988,495	136,869,527	-	-
Other liabilities (Footnote:5)	61,532	61,532	61,532	-	-	-
Total liabilities	423,919,554	423,919,554	287,050,027	136,869,527	-	-

Since the anticipated terms are close to the contractual terms, no separate table is created for anticipated terms.

December 31, 2015

Terms as per the contract	Carrying value	Total cash exits as per the contract				
		(I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Derivative financial liabilities						
Derivative cash entries, net	(1,338,872)	216,521,396	143,060,404	73,460,992	-	-

December 31, 2014

Terms as per the contract	Carrying value	Total cash exits as per the contract				
		(I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Trade Payables	427,023,221	427,230,441	345,401,984	81,828,457	-	-
Other liabilities (Footnote:5)	135,144	135,144	135,144	-	-	-
Total liabilities	427,158,365	427,365,585	345,537,128	81,828,457	-	-

Since the anticipated terms are close to the contractual terms, no separate table is created for anticipated terms.

December 31, 2014

Terms as per the contract	Carrying value	Total cash exits as per the contract				
		(I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Derivative financial liabilities						
Derivative cash entries, net	7,690,012	217,948,501	144,380,272	73,568,229	-	-

b.3) Market risk management

The group's operations are firstly exposed to changes of currency rates and interest rates as detailed below, along with relevant financial risks. In order to be able to control the currency and interest rate risks, the Group utilizes various financial derivative instruments including the following:

1. Currency forward sale and purchase contracts to hedge against currency risks resulting from product exports
2. Currency swaps made to control currency risks out of foreign currency loans under control

There was no change in the market risks that the group was exposed to in the current year or in the management and measurement methods of exposed risks compared with the previous year.

b.3.1) Currency risk management

Foreign currency transactions result in foreign currency risks. Foreign currency risks are managed by currency same and purchase contracts based on approved policies.

The distribution of the group's foreign currency monetary and non-monetary assets and monetary and non-monetary liabilities are as follows:

	December 31, 2015				
	TRY Equivalent (Functional currency)	US Dollars	Eur	GBP	CHF
1. Trade Receivables	101,231,643	22,833,031	10,964,980	-	-
2a. Monetary Financial Assets (Including Cashier, Bank accounts)	113,699,376	8,978,289	27,565,781	250	-
2b. Non-monetary Financial Assets	-	-	-	-	-
3. Other	14,301,197	283,219	4,221,076	15,072	-
4. FLOATING ASSETS	229,232,216	32,094,539	42,751,837	15,322	-
5. Trade Receivables	-	-	-	-	-
6a. Non-monetary Financial Assets	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. LONG TERM ASSETS	-	-	-	-	-
9. TOTAL ASSETS	229,232,216	32,094,539	42,751,837	15,322	-
10. Trade Payables	388,123,571	90,686,661	38,859,119	17,797	-
11. Financial Liabilities	-	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-
13. SHORT TERM LIABILITIES	388,123,571	90,686,661	38,859,119	-	-
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-
16 a. Other Monetary Liabilities	42,365,871	3,287,007	10,284,941	-	-
16 b. Other Non-Monetary Liabilities	-	-	-	-	-
17. LONG TERM LIABILITIES	42,365,871	3,287,007	10,284,941	-	-
18. TOTAL LIABILITIES	430,489,442	93,973,668	49,144,060	-	-
19. Net Asset/Liability Position of Non-Balance Sheet Derivatives (19a-19b)	216,521,396	71,298,100	2,900,000	-	-
19a. Non-Balance-Sheet Foreign Currency Derivative Products of Asset Nature	207,306,356	71,298,100	-	-	-
19b. Non-Balance-Sheet Foreign Currency Derivative Products of Liabilities Nature	(9,215,040)	-	(2,900,000)	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	15,264,170	9,418,971	(3,492,223)	(2,475)	-
21. Monetary Items Net Foreign Currency Assets/Liabilities Position (UFRS 7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	(215,558,423)	(62,162,348)	(10,613,299)	(17,547)	-
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-
23. Hedged Portion of Foreign Currency Assets	-	-	-	-	-
24. Hedged Portion of Foreign Currency Liabilities	-	-	-	-	-
25. Total Exports (TRY)	286,796,414	-	-	-	-
26. Total Imports (TRY)	337,151,342	-	-	-	-

	December 31, 2014				
	TRY Equivalent (Functional currency)	US Dollars	Eur	GBP	CHF
1. Trade Receivables	98,433,871	23,454,049	15,615,371	-	-
2a. Monetary Financial Assets (Including Cashier, Bank accounts)	87,503,407	26,480,239	9,252,117	260	-
2b. Non-monetary Financial Assets	-	-	-	-	-
3. Other	1,918,510	5,132	675,247	540	-
4. FLOATING ASSETS	187,855,788	49,939,420	25,542,735	800	-
5. Trade Receivables	-	-	-	-	-
6a. Non-monetary Financial Assets	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. LONG TERM ASSETS	-	-	-	-	-
9. TOTAL ASSETS	187,855,788	49,939,420	25,542,735	800	-
10. Trade Payables	392,979,030	147,449,895	17,854,386	-	-
11. Financial Liabilities	-	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-
13. SHORT TERM LIABILITIES	392,979,030	147,449,895	17,854,386	-	-
14. Trade Payables	-	-	-	-	-
16 a. Other Monetary Liabilities	50,257,612	1,073,392	16,902,867	-	-
16 b. Other Non-Monetary Liabilities	-	-	-	-	-
17. LONG TERM LIABILITIES	50,257,612	1,073,392	16,902,867	-	-
18. TOTAL LIABILITIES	443,236,642	148,523,287	34,757,253	-	-
19. Net Asset/Liability Position of Non-Balance Sheet Derivatives (19a-19b)	217,948,501	98,391,235	(3,620,000)	-	-
19a. Non-Balance-Sheet Foreign Currency Derivative Products of Asset Nature	228,159,435	98,391,235	-	-	-
19b. Non-Balance-Sheet Foreign Currency Derivative Products of Liabilities Nature	10,210,934	-	3,620,000	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(37,432,353)	(192,632)	(12,834,518)	800	-
21. Monetary Items Net Foreign Currency Assets/Liabilities Position (UFRS 7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	(257,299,364)	(98,588,999)	(9,889,765)	260	-
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-
23. Hedged Portion of Foreign Currency Assets	-	-	-	-	-
24. Hedged Portion of Foreign Currency Liabilities	-	-	-	-	-
25. Total Exports (TRY)	276,794,000	-	-	-	-
26. Total Imports (TRY)	492,027,000	-	-	-	-

Sensitivity to foreign exchange rate risks

The Group is mainly exposed to USD and Euro foreign exchange rate risks.

Following table shows the sensitivity of the Group to 10% increase and 10% decrease in US Dollar and Euro exchange rates. 10% is the rate that is used throughout the Group for reporting the foreign exchange rate risk to senior management and represents the potential change that is expected by the management to occur in foreign exchange rates. Sensitivity analysis covers solely the monetary items based on foreign currencies by the end of the year and represents the effects of a 10% change in the aforementioned foreign exchange rates by the end of the year. This analysis covers the loans in currencies other than the functional currencies of the borrower and user of loans that are the basis of the loans utilized within the group or from outside. A positive value indicates an increase in profit & loss items and other equity items.

In the current period, the Group's sensitivity to changes in foreign exchange rates has decreased due to the facts that investments on USD basis were disposed of and Euro sales have decreased in the last quarter, which consequently resulted in a decrease in the Group's Euro receivables.

The Group management believes that the sensitivity analysis does not fully represent the foreign exchange rate risks because the foreign exchange rate risk analysis that is performed at the end of the year does not reflect the foreign exchange rate throughout the year. The fact that the Group's sales in Euro basis have decreased throughout the year resulted in a decrease in the Group's Euro receivables.

	December 31, 2015			
	Profit/Loss		Equities	
	Valuation of foreign currency	Devaluation of foreign currency	Valuation of foreign currency	Devaluation of foreign currency
In the event of a 10% change in USD exchange rate:				
1- Net assets/liabilities in USD	(18,041,438)	18,041,438	(18,041,438)	18,041,438
2- Portion protected from USD risks (-)	20,733,487	(20,733,487)	20,733,487	(20,733,487)
3- Net Effect of US Dollar (1+2)	2,692,049	(2,692,049)	2,692,049	(2,692,049)
In the event of a 10% change in EUR exchange rate:				
4- Net assets/liabilities in EUR	(2,080,593)	2,080,593	(2,080,593)	2,080,593
5- Portion protected from EUR risks (-)	924,520	(924,520)	924,520	(924,520)
6- Net Effect of EUR (4+5)	(1,156,073)	1,156,073	(1,156,073)	1,156,073
In the event of a 10% change in other currency exchange rates:				
7- Net assets/liabilities in other currency exchange rate	(1,104)	1,104	(1,104)	1,104
8- Portion protected from other currency exchange rate risks (-)	-	-	-	-
9- Net Effect of Other Currencies (7+8)	(1,104)	1,104	(1,104)	1,104
TOTAL (3+6+9)	1,534,872	(1,534,872)	1,534,872	(1,534,872)

The Group bases the valuation of foreign currency assets on "buying" rate and that of foreign currency liabilities on "selling" rate of the respective foreign currencies.

	December 31, 2014			
	Profit/Loss		Equities	
	Valuation of foreign currency	Devaluation of foreign currency	Valuation of foreign currency	Devaluation of foreign currency
In the event of a 10% change in USD exchange rate:				
1- Net assets/liabilities in USD	(22,921,008)	22,921,008	(22,921,008)	22,921,008
2- Portion protected from USD risks (-)	22,816,927	(22,816,927)	22,816,927	(22,816,927)
3- Net Effect of US Dollar (1+2)	(104,081)	104,081	(104,081)	104,081
In the event of a 10% change in EUR exchange rate:				
4- Net assets/liabilities in EUR	(2,616,795)	2,616,795	(2,616,795)	2,616,795
5- Portion protected from EUR risks (-)	(1,023,012)	1,023,012	(1,023,012)	1,023,012
6- Net Effect of EUR (4+5)	(3,639,807)	3,639,807	(3,639,807)	3,639,807
In the event of a 10% change in other currency exchange rates:				
7- Net assets/liabilities in other currency exchange rate	264	(264)	264	(264)
8- Portion protected from other currency exchange rate risks (-)	-	-	-	-
9- Net Effect of Other Currencies (7+8)	264	(264)	264	(264)
TOTAL (3+6+9)	(3,743,624)	3,743,624	(3,743,624)	3,743,624

The Group bases the valuation of foreign currency assets on "buying" rate and that of foreign currency liabilities on "selling" rate of the respective foreign currencies.

Foreign Currency Forward Contracts

The Group executes foreign currency forward contracts in order to compensate 50% of the risks arising from payments and collections on foreign currency basis. When the expected purchase and sales transactions are carried out, the Group makes corrections on the carrying values of the items that are being protected against non-financial risks.

Following table outlines the details of the foreign currency forward contracts that are –as of the date of the report, not yet completed:

Pending forward contracts:	Average rate		Foreign currency		Contract value		Fair value	
	2015	2014	2015	2014	2015	2014	2015	2014
	TRY	TRY	TRY	TRY	TRY	TRY	TRY	TRY
USD purchase								
Less than 3 months	2.9661	2.2315	137,698,376	141,051,846	140,880,000	137,694,082	(1,275,364)	4,981,294
Between 3-6 months	3.0468	2.3043	56,262,060	73,568,229	56,262,060	72,814,520	(97,089)	2,851,692
EUR purchase								
Between 3-6 months	2.949	2.9405	22,560,960	3,328,426	22,842,200	3,479,828	33,581	(142,974)
			216,521,396	217,948,501	219,984,260	213,988,430	(1,338,872)	7,690,012

The Group executes forward contracts in order to protect from cash flow risks and from financial risks associated with the fluctuations of the foreign currency rates applicable to transactions to be carried out in the future.

As of December 31, 2015, unrealized revenues, resulting from the changes in the fair values of the forward contracts and are classified in the protection from financial risks fund of equities is 1,338,872 TRY (December 31, 2014: 7,690,012 TRY).

In order to protect itself from the potential changes in the foreign exchange rates, the Group, noting its total foreign currency position, has concluded forward contracts with maturity periods of 6 months and greater and classified the aforementioned risk as "protection from cash flow risks".

It is expected that the purchases shall take place within the first six months period commencing with the date of the balance sheet and therefore, the aforementioned fund included in equities will then be included in the cost of inventories. It is further expected that raw materials will be sold following their use in production of 12 months, and the fund in equities will affect the profit/loss within 12 months.

b.3.2) Interest rate risk management

Fixed and variable interest rates applicable to the Group's debts expose the Group to interest rate risks. Subject risk is being managed by the Group by maintaining a favorable balance between debts with fixed and variable interest rates via barter contracts and forward contracts. Risk protection strategies are continuously reviewed in order to ensure their compatibility with the interest rate expectations and defined risks. Thus, the aim is to create an optimal risk protection strategy by both review of financial standing and position continuously and keeping the interest expenditure under control at various interest rates.

Equities price sensitivity

Following sensitivity analysis are based on stock price risks exposed to as of the reporting date.

Given that the data upon which the valuation method is based are 10% greater/less and that all other variables are fixed:

- As of December 31, 2015; as long as investments in stocks are classified as liquid assets and are not sold out or diminished in value, net profit/loss shall not be affected

The Group's sensitivity against stock prices changed significantly in comparison to the previous years.

26. FINANCIAL INSTRUMENTS (FAIR VALUE ANNOUNCEMENTS AND ANNOUNCEMENTS IN THE SCOPE OF FINANCIAL RISK PROTECTION ACCOUNTING)

December 31, 2015	Credits and receivables (including cash and cash equivalents)	Financial instruments shown in fair value	Financial liabilities shown in depreciated value	Carrying value	Note
Financial assets					
Cash and cash equivalents	162,791,883	-	-	162,791,883	29
Trade receivables	209,025,338	-	-	209,025,338	4
Derivative instruments	-	4,228,269	-	4,228,269	24
Financial liabilities					
Trade Payables	-	-	423,858,022	423,858,022	4
Derivative instruments	-	5,567,141	-	5,567,141	24

December 31, 2014	Credits and receivables (including cash and cash equivalents)	Financial instruments shown in fair value	Financial liabilities shown in depreciated value	Carrying value	Note
Financial assets					
Cash and cash equivalents	158,967,234	-	-	158,967,234	29
Trade receivables	224,359,051	-	-	224,359,051	4
Derivative instruments	-	14,184,693	-	14,184,693	24
Financial liabilities					
Trade Payables	-	-	427,023,221	427,023,221	4
Derivative instruments	-	6,494,681	-	6,494,681	24

(*) The Group's management believes that the carrying values of financial instruments reflect the fair values thereof.

Financial Instruments' Fair Values:

Fair values of financial assets and liabilities are determined as what follows:

- Second Level: In addition to the stock exchange price of the relevant asset or liability that is indicated in the first level, financial assets and liabilities are also assessed on basis of the inputs used in determining the price that can be directly or indirectly monitored in the market.

Level classifications of the financial assets and liabilities as shown in fair values:

The Group's certain financial assets and financial liabilities are carried forward to the financial statements on basis of their fair values as of every balance sheet date. Following table outlines the method of determination of the aforementioned financial assets and financial liabilities:

Financial Assets / Financial Liabilities	Fair value		Fair level	Valuation technique	Inputs that are not based on significant observable data	Correlation between fair value and inputs that are not based on significant observable data
	December 31, 2015	December 31, 2014				
Foreign currency forward contracts	(1,338,872)	7,690,012	Second Level	Future cash flows are discounted on basis of a rate that reflects loan risks of several parties based on forward foreign currency rates (i.e. foreign exchange rates with observable maturity at the end of the reporting date) and contract rates.	-	-

27. EVENTS AFTER REPORTING PERIOD

There is none.

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT FINANCIAL STATEMENTS OR NEED TO BE ANNOUNCED IN ORDER TO RENDER FINANCIAL STATEMENTS CLEAR, INTERPRETABLE and COMPREHENSIVE

There is none (December 31, 2014: None).

29. EXPLANATIONS ON THE CASH FLOW TABLE

	December 31, 2015	December 31, 2014
Cash - TRY	2,378	2,153
Cash - Foreign Currency	12,962	12,776
Bank - Drawing Account	18,408,344	45,258,192
Bank - TRY Time Deposit Account	27,570,000	24,789,285
Bank - Foreign Currency Drawing Accounts	726,021	932,655
Bank - USD Time Deposit Account	26,033,718	61,142,169
Bank - EUR Time Deposit Account	86,951,132	25,431,993
Checks Received	3,087,328	1,398,011
	162,791,883	158,967,234

Maturity dates of and interest rates applicable to time deposit accounts are as follows:

	December 31, 2015		December 31, 2014	
	Maturity	Interest Rate (%)	Maturity	Interest Rate (%)
TRY Time Deposits	Weekly	-	Weekly	11.10
TRY Time Deposits	Nightly	11.10	Nightly	9.60
FC Time Deposits USD	Nightly	1.90	Nightly	2.20
FC Time Deposits USD	Monthly	-	Monthly	2.50
FC Time Deposits EUR	Nightly	1.40	Nightly	2.00
FC Time Deposits EUR	Monthly	-	Monthly	2.25

Explanations regarding the types and levels of the cash and cash equivalent risks are made in Footnote 25.

Cash and cash equivalent values shown in consolidated cash flow tables as of December 31, 2015, and 2014 are given below

	December 31, 2015	December 31, 2014
Cash and cash equivalents	162,791,883	158,967,234
Accrued interest (-)	(2,834)	(15,548)
	162,789,049	158,951,686

COMPLIANCE REPORT

Türk Prysmian Kablo ve Sistemleri A.Ş. COMPLIANCE REPORT REGARDING INSTITUTIONAL MANAGEMENT PRINCIPLES

1. Statement of Compliance to Institutional Management Principles

With half a century of experience in Turkey, Türk Prysmian Kablo ve Sistemleri A.Ş., is one of the leading and most experienced companies within its sector. Since its foundation, the Board of Directors and Executive Management have adopted basic institutional structure and management principles for the relations with the Company shareholders and all the relevant stakeholders.

The established structure and management style is tried to be fashioned after the outline of the Institutional Management Principles of the Capital Market Board.

Furthermore, since Türk Prysmian Kablo ve Sistemleri A.Ş. is a part of the Prysmian Group with a worldwide network system and company activities, Türk Prysmian is subject to the company governance principles of Prysmian Group.

The company always conducts its activities in a manner aware of its social responsibilities in the relationships with the public, customers and suppliers. It levels up its improvement activities and studies in this regard while never losing sight of the ethical values of the business world.

As a result of the rating studies conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (www.saharating.com) based on the Institutional Management Principles of the Capital Market Board, Türk Prysmian Kablo, the leader of the Turkish cable sector, was listed as the **23rd company** with an Institutional Management score of **7.76 on a 10 score basis (77.58%)** in 2009 at the **Institutional Management Index of Borsa İstanbul A.Ş. ("Istanbul Stock Exchange")** that contributes to the development of the Turkish capital markets and Turkish economy since its foundation and that reflects the institutional values held by companies.

Istanbul Stock Exchange Institutional Management Score		
MAIN SECTIONS	WEIGHT	SCORE (%)
Shareholders:	25%	91.94%
Public Disclosure and Transparency:	25%	92.27%
Stakeholders:	15%	92.26%
Board of Directors:	35%	88.60%
TOTAL:	100%	90.90%

In 2015 Türk Prysmian Kablo has documented that the company corresponds to and is adequate with related values, by getting 9,09 points out of 10 (90.90%) by achieving 0,28 point increase according to the results of the evaluation done by SAHA Corporate Management and Credit Rating Services INC. who operates in the field of corporate management rating with the Capital Market Board license, in accordance with notice about the changes which may be done in Serial NO: IV No: 63 numbered Notification About Determination and Execution of Corporate Management Principles that is published on 22.02.2013 dated 28567 numbered Official Gazette of Capital Market Board, under the main titles of "Allotments, Disclosure and Transparency, Stakeholders and Board of Management" whose summary is presented above. While this evaluation is taking place, related evaluation company has operated within the context of the methodology that is determined by Capital Market Board and is changed in accordance with the new regulations. While the ceiling point of fulfilling the elements, which are necessary to comply with in management principles was 100 before, within the new methodology this ceiling point is limited to 85 points. In accordance with this change, the companies who fulfill the necessary elements and also achieve some developments could get scores higher than 85. Türk Prysmian Kablo Sistemleri A.Ş. (Turkish Prysmian Cable Systems INC.) maintained its ongoing increase trend since 2009 with the 90,90 points it gets from the evaluation while living the justified proud of being one of these companies.

You can find the full text of the Institutional Management Rating Report under the title of "Institutional Management" at the "Investment Relations" web page of our company (www.prysmiangroup.com.tr).

In the activity period ending on 31st of December 2015, the company is complying to and implementing the Institutional Management Principles issued by SPK in addition to the items indicated herewith below:

- Representation of Minority Shares at the Board of Directors
- Method of Using Accumulative Voting

The features and justifications of the noncompliant issues are explained in the relevant chapters of the report.

Governance Structure: Considering the main chapters of the Company Governance Principles determined by SPK, the studies conducted by the Company within the period related to compliance to the Institutional Management Principles, current applications and efforts are described below;

CHAPTER I – SHAREHOLDERS

2. Department of Shareholders Relations

To ensure the facilitation of monitoring the shareholder rights, “General Accounting and Investor Relations Department” was established under the structure of “Company Financial and Administrative Affairs Directorate”. The contact information of the managers responsible from the Investors Relations are given below:

Name	Title	Tel:	E-mail
Alberto Maria Tagliabue	Chief Financial Officer – Member of the Board of Directors	(224) 270 3000	tpks@prysmiangroup.com
Nevin Kocabaş	Accounting and Investor Relations Manager	(224) 270 3000	tpks@prysmiangroup.com
Alper Gün	Investor Relations Manager	(224) 270 3000	tpks@prysmiangroup.com

The basic purpose of this department is to ensure the compliance to the effective legislation, Articles of Association and other inter-corporate regulations in the utilization of shareholder rights and to ensure that any kind of measure is taken to enable the use of such rights. The primary duties of the department in this framework are as follows:

- Ensuring that the records on the shareholders are kept in a sound, safe and current manner.
- Save for publicly undisclosed, confidential and commercial secret type of company information, responding to the written information requests of the shareholders related to the company.
- Ensuring that the General Assembly meeting is held as per the effective legislation, Articles of Association and other inter-corporate regulations.
- Preparing documentation that the shareholders can benefit at the General Assembly meeting.
- Ensuring that the voting results are recorded and reports related to the results are forwarded to the shareholders.
- Observing and monitoring any kind of matter related to public disclosure including legislation and the information policy of the company.
- Ensuring the execution of capital market compliance activities.
- Ensuring the execution of investor relations activities.

The verbal and written questions sent to this department are being responded as soon as possible, save for confidential and commercial secret type of company information, observing equality principle, within the limitations specified at the information policy and according to SPK Regulations and Rules.

During 2015, there is no written/verbal complaint transmitted to our Company related to the utilization of shareholder rights or any administrative/legal proceeding filed against our Company in this regard.

3. Utilization of the Information Obtaining Rights of the Shareholders

During the period, information requests were received from the shareholders related to attendance to the general assembly, dividend payment and other miscellaneous matters. Since most of these requests were received by phone, the information request and response numbers could not be followed statistically. Utmost effort was shown in meeting the information requests received by our company in 2015 from the shareholders in accordance with SPK Regulations and Rules.

In all its relationships with the shareholders and the finance community in general, the Company is continually exerting effort to be in an active and transparent dialogue with its shareholders and corporate investors with the awareness of mutual roles.

The investors are able to obtain information on our Company from our web page at www.prysmiangroup.com.tr and can forward their other questions to the following e-mail address, telephone and fax numbers.

E-mail: tpks@prysmiangroup.com Tel: (0224) 270 30 00 Fax: (0224) 270 30 24

The Company articles of association do not contain a reference permit related to the assignment of an individual auditor and there was a request for the assignment of a private auditor within the activity period, and the court rejected the request.

4. General Assembly Information

The General Assembly convenes ordinarily and extraordinarily. The Ordinary General Assembly can convene at the company headquarters (Mudanya) or Istanbul within 3 months after the company accounting period. The meetings can be viewed by the stakeholders or media.

Within 2015, one ordinary general assembly meeting was convened at the company headquarters (27th of March, 2015). Shareholders representing over 83.75% of the shares attended this meeting.

The shareholders are invited to General Assemblies by notifying and announcing the time, venue and agenda of the meeting. The invitation is sent at least 3 weeks in advance considering the regulations of the Capital Market Board. The date of the invitation and the date of the meeting are not taken into account in this calculation. Furthermore, the agenda related to the invitation, sample power of attorney and any amendments to the articles of association shall be announced at the Turkish Trade Registry Gazette, a newspaper with a Turkey-wide circulation and a local newspaper.

The shareholders can attend to the General Assembly meeting physically or electronically in person or they can attend via their representatives. Attendance to the General Assembly in an electronic environment is only possible with the secure electronic signatures of the shareholders and the representatives thereof. Thus, the shareholders to work on EGKS (Electronic General Board System) first need to register at the e-MKK Information Portal of Merkezi Kayıt Kuruluşu A.Ş. (MKK), enter their communication information and they also need to have a secure electronic signature.

The shareholders are granted the right to express their opinions and ask questions under equal terms. The shareholders or other related parties wishing to take the floor regarding currently discussed agenda item notify this situation to the chairman of the meeting. The chairmanship discloses the persons to take the stand to the general assembly and these persons are recognized in accordance with the order of application. If the person whose turn it is to speak is not present at the meeting venue, he/she loses that right to speak. The speeches are given from the allocated place as addressed to the general assembly. The persons can interchange their order of speaking. If the duration of speech is limited, a person coming and giving a speech can continue doing so within the speech duration of another person if the latter, being the next to speak to the general assembly, grants his/her right to speak to the former. Otherwise, the duration of speech cannot be extended.

The chairman of the meeting can recognize any member of the Board of Directors or the auditor wishing to provide an explanation on the discussed topics without paying regard to the order of speaking.

The speech duration shall be determined by the general assembly based on the suggestion of the chairman or the shareholders, depending on the intensity of the agenda, abundance and importance of the topics that need to be discussed and the number of persons wishing to take the floor. In such situations, the general assembly shall decide, with separate voting, first as to whether the speech duration should be limited or not and then, what this duration should be.

The chairman of the meeting ensures that every question asked by the shareholders at the general assembly meeting and that do not comprise a commercial secret are responded directly at the general assembly meeting. Should the asked question be irrelevant to the agenda or sufficiently comprehensive that it cannot be responded right away, the asked question shall be responded in writing by the Investor Relations Department within at most 30 work days. In such a case, the Chairman of the Meeting explains that shareholder this possibility and that the response would be given later.

The General Assembly is authorized to take decisions in the following matters as also indicated at the Articles of Association;

- Adopting the reports of the Board of Directors and Auditing Board,
- Review and certification of balance sheets, profit and loss accounts, using the net profit, determining the company profit policy and the determination of the profit distribution as per the quoted policy,
- Determination of the number, election, export, release and re-assignment of members of Board of Directors and determination of their remuneration,
- Determination of the number of auditors, election and remuneration determination thereof.

The performance of the following activities depends on the certification and acceptance of the General Assembly in advance or, afterwards as required:

- Annual investment and financing schedule prepared by the Board of Directors,
- Purchase and sales of real estate; establishment of mortgage on company real estate,
- Foundation of branches and partnerships (secondary branches), adopting or selling affiliates,
- Passing on to new production sites,
- Other works and activities determined by the Turkish Code of Commerce

The shareholders can access the General Assembly minutes of meetings and Attendance Sheets of each year from the company headquarters, the relevant section under the title of "Investor Relations" at the company web site (www.prysmiangroup.com.tr), the web page (www.kap.gov.tr) in the scope of KAP (Public Disclosure Platform) and also from the Trade Registry Gazette archive of Burse Trade Registry Office.

5. Voting Rights and Minority Rights

None of the shareholders of Türk Prysmian Kablo ve Sistemleri A.Ş. hold a preferred or privileged voting right and all votes are of equal value. The Minority Rights are regulated as per the related articles of the Turkish Code of Commerce.

The shareholders can represent themselves at the General Assembly via other shareholders or third parties; furthermore, the regulations of SPK concerning voting by proxy are reserved.

To ensure that the minority shareholders can send representative to the Board of Directors, accumulative voting method is not used. Since currently there is no general trend for accumulative voting in the company implementations, it has not been possible to observe the drawbacks or benefits of this method.

6. Profit Distribution Policy and Profit Distribution Time

There is no privilege in contributing to the Company profit and the **Dividend Policy**, as described at the decision of the Board of Directors on 27th of March 2007, is as follows;

"The Board of Directors takes its decision related to the distribution of profit based on the financial position of the Company, term profit and the strategic goals. There is no real person that receives a privileged share from the distributable profit of our Company. The profit distribution policy of our Company aims for the distribution of 20% of the distributable profit in cash or an amount higher than % as decided by the General Assembly. Should the distributable term profit of the Company falls below 20% of the paid-up capital of the Company – provided that it is subject to the legislation in force – it can be decided not to distribute profit shares.

It is aimed to pay the profit shares in cash within 60 days following the General Assembly meeting via authorized banks and intermediary institutions. The shareholders can apply to the Company headquarters to collect their profit shares after such date. The Company is not planning to distribute profit share advance. The Company aims to donate up to 1% of the taxable profit to any kind of social agency, provided that the ones present in the vicinity area are given priority, and subject to the approval of the General Assembly."

7. Transfer of Shares

There is no provision in the articles of association that restricts transfer of shares and thus, if any shareholder wishes to transfer his/her own shares partially or wholly to another party, the share transfer and registration process shall be conducted as per the provisions of articles 490-491 of the Turkish Code of Commerce.

CHAPTER II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Information Policy

The communication made with external sources related to the documents and information on the Company shall be made – always obtaining the consent of the General Manager – by the Public Relations function in terms of press relations and by the Investor Relations Management in terms of corporate investors, authorized bodies and shareholders.

The Company commits to provide equal treatment to shareholders from all categories by avoiding any preferential treatment. Save for the ones classified as commercial secret, the Company responds to all the questions as per justice and impartiality principles and establishes a continual communication between the management and shareholders in accordance with the legislation.

The Company **Information Policy** was first disclosed to the public in 2004 together with the Institutional Management Compliance Report. In 2010, “*Commercial Secret*” term has been added and the updated **Information Policy**, approved by the General Assembly and revised in 2014, is being disclosed to the public under the title of “Investor Relations” at the Company web site.

9.Special Situation Disclosures

The number of Special Situation Disclosures in 2015: **33**

The Number of Additional Disclosure Request received from SPK or Istanbul Stock Exchange within the same period: **None**

There is no sanction applied due to the failure of timely disclosure of special situations as requested by SPK or Istanbul Stock Exchange.

As the share certificates of the Company is not quoted internationally, no special situation disclosures have been made at a stock exchange other than Istanbul Stock Exchange.

10.Company Web Site and Content

The Investors can access the published documents of the Company such as Annual Report and Code of Ethics at our web page (www.prysmiangroup.com.tr) both in Turkish and in English. With the aim of continuing the shareholder relations in a more effective and fast manner and to be in continual communication with the shareholders, the Company actively uses its Corporate Web Page as stipulated by the Institutional Management Principles of SPK. The information on this web site is updated continuously under the responsibility of the Investor Relations Department. The information at the Corporate Web Site of the Company have the same content as the disclosures made in the framework of the related legislative provisions and does not contain and conflicting or deficient information.

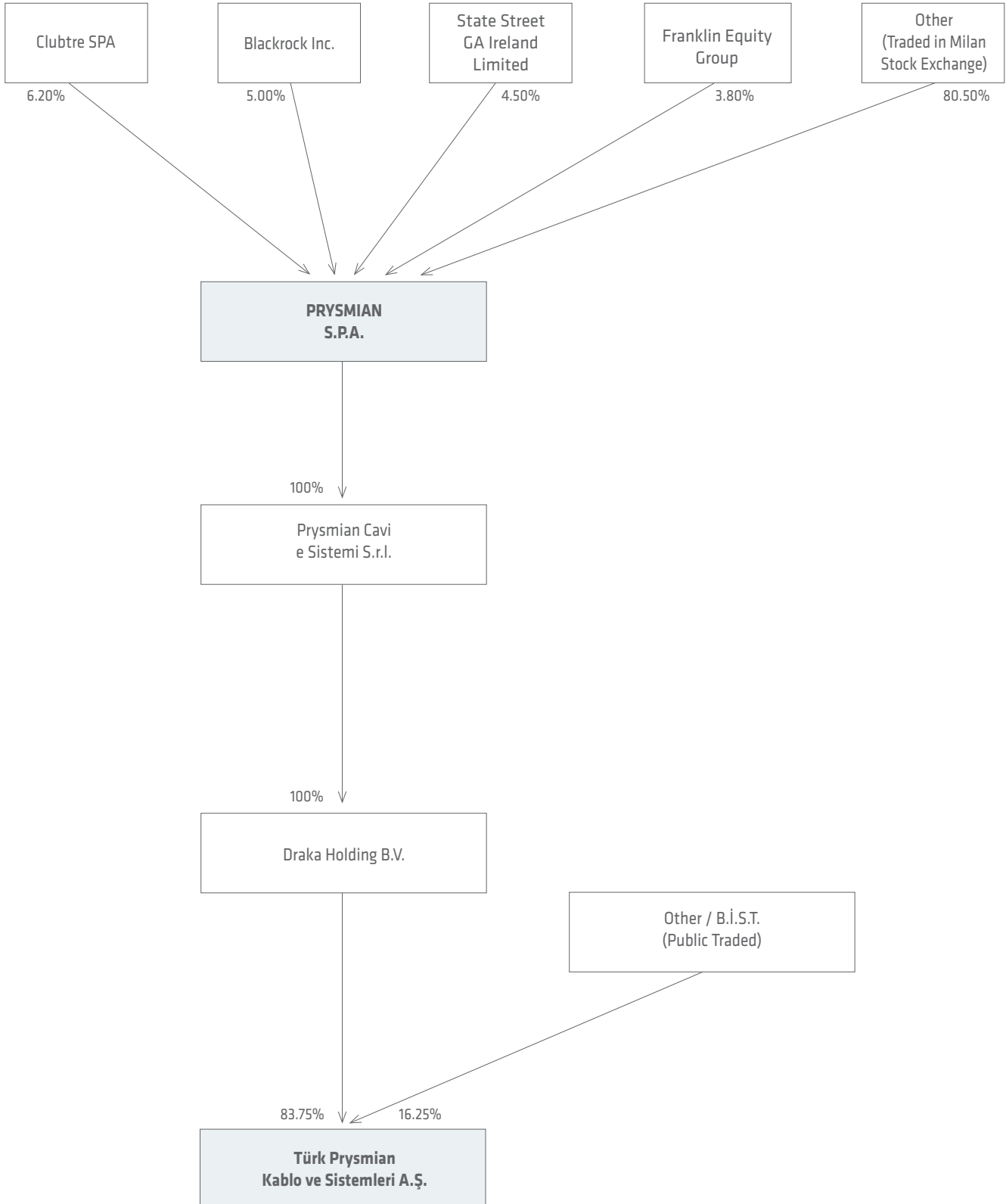
At the Corporate Web Page of the Company, in addition to the obligatory information that needs to be disclosed as per the legislation, the following information minimally for the last five years are also submitted to the attention of the investors:

- Trade registry information, current final partnership structure,
- The most recent members of the Board of Directors and top level managers,
- The date and numbers of the trade registry gazettes where the amendments have been published and the final form of the Company Articles of Association,
- Decisions of the Board of Directors,
- Committees of the Board of Directors,
- Activity reports,
- Special situation disclosures,
- Institutional Management Compliance Report,
- Code of ethics,
- Attendance sheets, minutes of meetings, agendas, forms of voting with proxy related to the conducted general assembly meetings,
- Periodical financial statements and independent auditor reports,
- Company Policies,
- Explanation notes and public offering circulars,
- News and frequently asked questions.

11. Disclosure of Real Person and Final Dominant Shareholder(s)

There is no special situation that might affect the investors in disclosing the real person and other shareholders of the Company and thus the table containing detailed information in this regard has been provided herewith below.

**FINAL PARTNERSHIP STRUCTURE OF TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.
AS OF 31ST OF DECEMBER 2015**



(*) There is no shareholders that held the 5% of the shares of public traded part.

12. Public Disclosure of the Persons that can Obtain Insider Information

No employee of Türk Prysmian Kablo ve Sistemleri A.Ş. can conduct activities to obtain gains with the purchase and sales of share certificates of Türk Prysmian Kablo ve Sistemleri A.Ş. based on insider information obtained owing to his/her position in the Company.

The names of the members of the Board of Directors, auditors and other employees in the top management of the Company are indicated at the Activity Reports and under the Investor Relations section in the Company web page.

As of the date of this report, the persons in the position to obtain insider information are given below;

COMPANY MANAGEMENT:	
Halil İbrahim KONGUR	Chairman & Factory Director
Erkan AYDOĞDU	Vice Chairman & CEO
Alberto Maria TAGLIABUE	Board Member & CFO
Hans Gunnar Staffan HOEGSTEDT (*)	Board Member
Fabio Ignazio ROMEO	Board Member
Ayşe Canan EDİBOĞLU	Independent Board Member
Ali Aydın PANDIR	Independent Board Member
Mehmet Emin TUTAN	Independent Board Member
Onur ARTIKOĞLU	Export Director
İbrahim Etem BAKAÇ	Domestic Sales Director
İlker Bertan BİLGİN	Logistic Manager
Ufuk ÇOLAK	Telecom Sales Manager
İdris ÇOLAKGİL	Information Technologies Manager
Faik KÜRKCÜ	Utilities & Contractors Sales Director
Sabri Levent ÖZÇENGEL	Human Resources Director
İlhan ÖZTÜRK	Special Cables Sales Director
Yiğit TÜRSOY	Legal Affairs Director
Tamer YAVUZTÜRK	Marketing & Business Intelligence Manager
Sevda YÜCEL	Purchasing Director
Esat BAYKAL	Quality Manager
Gürkan BAYRAK	Telecom & Shared Production Manager
Ercan GÖKDAĞ	Planning and Controlling Manager
Mehmet ER	Energy Cables Production Manager
Nevin KOCABAŞ	Accounting & Investor Relations Manager
Hande ÖZDEN	Health, Environment & Quality Assurance Manager
Alaettin ŞENKAYA	Material Technologies Manager
Zekeriya ŞİRİN	R&D Manager
Figen TAMUROĞLU	Treasury Manager
Celal URUÇAY	Industrial Improvement Manager
Okay YILDIZ	Technical Services Manager
Gaye YURDAŞEN KANTAR	Credit & Risk Manager
INDEPENDENT AUDITING BODY: (DRT Bağımsız Denetim ve SMMM A.Ş.)	
Özkan YILDIRIM	Responsible Auditor
Umut ARDIÇ	Auditor
Sevdiye ERSOY	Auditor Assistant
Fatih MUTLU	Auditor Assistant
TAX AUDITING BODY: (Mazars-Denge Yeminli Mali Müşavirlik A.Ş.)	
Şevki BORAN	Sworn Financial Advisor / Responsible Partner
Nazan YÜCETAŞ BORAN	Sworn Financial Advisor / Responsible Partner
Cihan AKSAR	Tax Auditing Manager
Özgür ÖZTÜRK	Senior Tax Auditor
OTHER PERSONS:	
Alper GÜN	Investor Relations Manager
Hafize Nazan ÇEKMECİ	Publisher (Net Agency Advertisement Promotion and Publishing Services)
Süalp ÇEKMECİ	Designer (Net Agency Advertisement Promotion and Publishing Services)
Adv. Cansu YİTMEN	Lawyer

(*) Our Company's Board Member Mr. Hans Gunnar Staffan Högstedt has resigned from his duty effective from 19.02.2016.

CHAPTER III - STAKEHOLDERS

13. Informing the Stakeholders

The basic management principles regulating the relations among the Executive Management of the Company, shareholders, officers and third parties (customers, suppliers and any other person or institution that the Company associates with) are provided herewith below.

Honesty: We are strictly bound to honesty principles with utmost effort in all our commercial activities, in our relations with our customers, employees, shareholders, and other companies, institutions and agencies.

Reliability: We are supplying open, rational and accurate information to our customers, shareholders and employees and we provide all our services as necessitated by our commitments.

Impartiality: We do not act with prejudice based on gender, religion, language, race and ethnic origin towards our customers, suppliers, employees and shareholders, and we never make discrimination under whatsoever circumstance.

Compliance: We are respecting all the laws, legislation and standards.

Confidentiality: We do not share the information related to the details of our transactions with our shareholders, customers, suppliers, employees and business partners with any person or institution save for the legally permitted authorities.

Transparency: Save for the information deemed as commercial secret and that have not yet been disclosed to the public, we disclose the financial and non-financial information on the Company to the public as necessary, in an accurate, honest, full, rational, interpretable and accessible manner and as per the related legislative provisions.

Social Responsibility: We take into consideration matters such as the social benefits in the activity sector of the Company, sector improvement and preservation of reliability in the sector, the image and possible benefit of the Company, and in all our efforts, applications and investments, we respect the regulations related to the environment, consumers and public health. The stakeholders are made informed via the company web site and via Istanbul Stock Exchange with special situation disclosure notification. Moreover, the agenda of the shareholders meeting is notified to the attendants and the decisions taken are disclosed clearly at the Trade Registry Gazette. SPK, Ministry of Industry and Treasury Undersecretariat are also informed and the relevant permits are obtained by the company from the mentioned authorities. The public notifications related to the General Assembly meeting are again announced via one of the local newspapers and one of the nationwide newspapers. Furthermore, the company employees are kept informed with the intranet system, general notification sent by e-mail and annual informative meetings.

Please see. Article 8 – Company Information Policy

Please see. Pysmian Group Values and Code of Ethics / Article 9 – Information

14. Participation of the Stakeholders to the Management

The participation of the stakeholders to the management is realized at the following meetings and by receiving their feedbacks; at the general assembly meeting for the shareholders provided that SPK legislation scope is not exceeded, at the supplier meetings for the suppliers, at the customer visits or dealer meetings for the customers, and at the meetings organized at least twice a year to assess the company activities and where company goals and strategies are shared for the employees. Furthermore, team work is encouraged and project groups are formed with the aim of developing the present work performance methods and work processes for the company employees.

15. Human Resources Policy

The Human Resources Policy has been disclosed to the public under the “Investor Relations” title in the web site. In scope of social facilities, all of employees take advantage of our canteen, personnel transportation service. Also, all white-collar employees have health insurance policy covering themselves and family members.

Please see. Pysmian Group Values and Code of Ethics / Article 6 – Human Resources

16. Information on Customer and Supplier Relations

Please see. Pysmian Group Values and Code of Ethics / Article 4 - Customers

17. Social Responsibility

Türk Pysmian Kablo ve Sistemleri A.Ş. holds an ISO 14001 Environmental Management System certificate since 1997. In the framework of ISO 14001 Environmental Management System, the environmental impacts of all the services received and activities conducted by our Company are identified and continuous studies are undertaken to eliminate or minimize these impacts. All these studies are undertaken in line with the Environmental and Work Safety Policy of Türk Pysmian Kablo ve Sistemleri A.Ş. determined by the top management and with a continuous improvement philosophy.

Legal obligations related to the environment are closely monitored and fulfilled. Türk Pysmian Kablo ve Sistemleri A.Ş. holds all the legal permits related to the environment. These permits are Emission Permit, Wastewater Quality Control License, Opening License for 1st Class Non-Sanitary Enterprises and Temporary Storage Permit for hazardous wastes. The activities being performed by Türk Pysmian Kablo ve Sistemleri A.Ş. are not within the scope of the Environmental Impact Assessment (EIA) Regulation. There is an official letter, affirming the fact that our Company is not subject to EIA preliminary investigation, received from the Provincial Environment and Forestry Directorate of Bursa Governorship being the authorized body on this matter. Our company has “O” adjustments after the audit process of ISO 27001: 2013 Information Security Management System Certification in 2015.

There is no lawsuit filed against our Company due to environmental pollution. Our Company ensures that all its wastes are recycled when possible or disposed of properly when recycling is not applicable as per the related regulations of the Environmental Legislation.

Our Company fulfills its duties in the framework of social responsibility by supporting social, cultural and certain sports activities in the scope of Prysmian Group principles and also by providing occasional in kind and in cash donations and contributions to public institutions and establishments.

Please see. Article 13 – Informing the Stakeholders / Social Responsibility

Please see. Prysmian Group Values and Code of Ethics / Article 5 – Society and Article 7 - Environment

CHAPTER IV - BOARD OF DIRECTORS

18. Structure, Formation and Independent Members of the Board of Directors

At the Company Articles of Association, it has been stated that the duties and responsibilities of the Board of Directors are subject to the basic provisions determined as per the Turkish Code of Commerce and the arrangements at the Articles of Association. The assignment, re-election, evaluation and dismissal of the members of the Board of Directors are performed as per the Company Articles of Association and the provisions of the Turkish Code of Commerce.

Structure of the Board of Directors

POSITION	MEMBERS	EXECUTORY	NON-EXECUTORY	INDEPENDENT
Chairman	Halil İbrahim Kongur	X		
Vice Chairman	Erkan Aydoğdu	X		
Member	Fabio Ignazio Romeo		X	
Member	Hans G. S. Hoegstedt		X	
Member	Alberto Maria Tagliabue	X		
Member	Ali Aydın Pandır			X
Member	Ayşe Canan Ediboğlu			X
Member	Mehmet Emin Tutan			X

POSITION	MEMBERS	INITIAL ASSIGNMENT	MOST RECENT ASSIGNMENT
Chairman	Halil İbrahim Kongur	30 March, 2012	29 March, 2014
Vice Chairman	Erkan Aydoğdu	22 October, 2014	22 October, 2014
Member	Fabio Ignazio Romeo	22 August 2005	29 March, 2014
Member	Hans G. S. Hoegstedt	1 July, 2011	29 March, 2014
Member	Alberto Maria Tagliabue	1 January, 2015	1 January, 2015
Member	Ali Aydın Pandır	30 March, 2012	29 March, 2014
Member	Ayşe Canan Ediboğlu	28 March, 2014	28 March, 2014
Member	Mehmet Emin Tutan	30 March, 2012	29 March, 2014

19. Properties of the Members of the Board of Directors

Age Profile of the Members of the Board of Directors;

AGE GROUP	18 - 30	31 - 40	41 - 50	51 - 60	61 - 65	66 - 70	71 and above
Number of Persons	-	-	1	7	-	-	-

The Board of Directors is comprised of members possessing the knowledge and abilities to interpret and analyze financial statements, legal knowledge required to execute the day-to-day businesses and long-term activities of the company, and the knowledge and abilities to give opinion on different areas of expertise related to company management. The members of the Board of Directors are well-informed regarding the field of activity and management of the Company, experienced in working at private sector and have graduated from higher education.

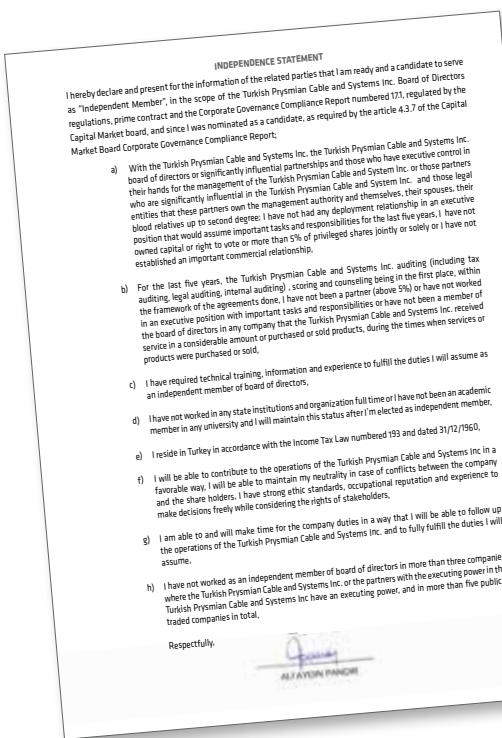
The number and properties of the independent members to take charge in the Board of Directors have been determined as per the regulations of the Capital Market Board related to institutional management. The members of the Board of Directors are elected by the company General Assembly as per the provisions of the Capital Market Legislation, Turkish Code of Commerce and Company Articles of Association. All of the independent members of the Board of Directors are comprised of persons residing in Turkey in accordance with the Income Tax Law.

Moreover, the declaration of the independent members of the Board of Directors related to their independency is as follows:

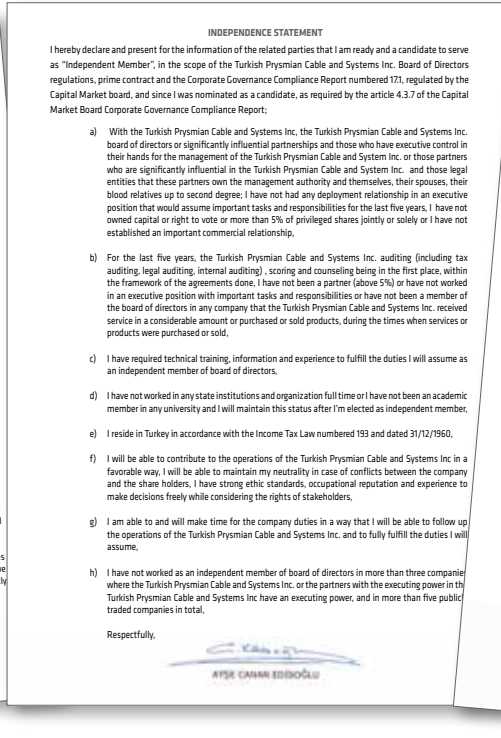
Declaration of Independence

Due to my election as an “Independent Member” to the Board of Directors of Türk Prysmian Kablo ve Sistemleri A.Ş., as per the Institutional Management Principles of the Capital Market Board, I hereby certify the following for the information of the relevant parties:

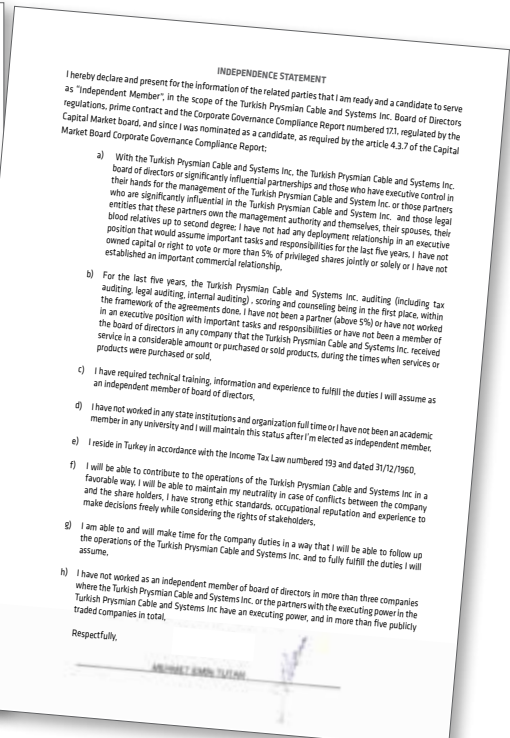
- There has not been any direct or indirect, employment-related, capital-related or material commercial relationship established within the last five years between me, my wife and my blood and marriage relatives up to third degree AND Türk Prysmian Kablo ve Sistemleri A.Ş., any affiliate of Türk Prysmian Kablo ve Sistemleri A.Ş. or judicial entities with whom the shareholders (with a direct or indirect share in Türk Prysmian Kablo ve Sistemleri A.Ş. at 5% and above) are associated in terms of management or capital,
- Within the last five years, I have not been employed in companies that conduct all or a part of the activities and organization of Türk Prysmian Kablo ve Sistemleri A.Ş. in the framework of the concluded agreements, especially the companies that perform the auditing, rating and consultancy of Türk Prysmian Kablo ve Sistemleri A.Ş.; and I have not taken charge as a member of the Board of Directors,
- Within the last five years, I have not acted as a partner, employee or a member of the Board of Directors in any of the firms that significantly provide service and products to Türk Prysmian Kablo ve Sistemleri A.Ş.,
- I do not hold a share at the capital of Türk Prysmian Kablo ve Sistemleri A.Ş. above 1% and these shares are not privileged,
- I possess the occupational education / training, knowledge and experience to duly fulfill the duties I will undertake owing to my position as an independent member of the Board of Directors,
- I am not employed full-time at public institutions and agencies,
- I reside in Turkey as per the Income Tax Law,
- I have sound ethical standards, occupational dignity and experience to provide positive contribution to the activities of Türk Prysmian Kablo ve Sistemleri A.Ş., preserve my impartiality in the disputes that may arise among the partners and to freely make decisions duly considering the rights of the stakeholders.



Ali Aydın Pandır
Independent Board Member



Ayşe Canan Edbiboğlu
Independent Board Member



Mehmet Emin Tutan
Independent Board Member

20. Company Mission, Vision and Strategic Goals

Company Mission: To provide added value to our shareholders and the sectors alike by supplying products and services, compliant to standards, having top quality, reliable, innovative and state-of-the-art features to our customers, business partners and the society as a whole.

Company Vision: Located within Prysmian Group and as the oldest, rooted and pioneering company of the sector in its region; the Company vision is to become a company:

- Accommodating a creative workforce open to development with its distinguished and innovative role, and that can present top performance,
- With an organizational structure valuing transparency and social responsibility,
- Undersigning long-term partnerships by ensuring continual satisfaction to its customers,
- Always creating value for its shareholders,
- Committed to improve the social conditions,
- Preserving sector leadership in Turkey and in the international platform alike.

Please see. Prysmian Group Values and Code of Ethics / Article 2 – Goals and Values

21. Risk Management and Internal Control Mechanism

To ensure an effective use of risk management, the Risk Management Department has been conducting activities since 2002. This department has developed and commenced the implementation of processes for effective risk management for the Company as well as the Prysmian Cables and Systems. In this scope, it is aimed for the risks to be monitored with daily reports and collect the receivables on time.

The internal control system of the Company has been organized to ensure an adequate control system and that can enable all the Company activities to be explained in a proper manner. The responsibility related to the internal control system belongs to the Board of Directors and in addition to determining the relevant outline, the Board of Directors also confirms the sufficiency of the control and whether it works in an effective manner or not.

The Auditing Committee is comprised of two members of the Board of Directors. Both of these persons are members of the Board of Directors that do not have a direct contribution to the activities and management of the Company. The Auditing Committee gathers regularly as indicated at the relevant communiqué of SPK and a representative of the external auditing company of the Company can also be invited to these meetings.

The aim of the Auditing Committee is to aid the Board of Directors in fulfilling its long term responsibilities regarding the quality and risk assessment of the accounting and financial reporting applications, policies and procedures and the internal control systems of the Company.

Internal auditing and periodic auditing activities also provide the necessary controls in terms of verifying compliance to the procedures, policies and strategies. Other than for the audits aimed at auditing the Internal Auditing Department, the Internal Auditing Department of Prysmian Cables and Systems Group also performs internal auditing inspections at Türk Prysmian Kablo ve Sistemleri A.Ş. in addition to the regular audits arranged by the external auditing company.

Furthermore, Planning and Control Department is also present and this department submits monthly detailed reports to the Delegate Member and Executive Management, and also provides useful and comprehensive information for the monitoring of specific activities.

Information related to the independent auditing company Deloitte: <http://www.deloitte.com.tr>

And information related to the tax auditing company MAZARS-DENGE: <http://www.mazarsdenge.com.tr>

22. Authorities and Responsibilities of the Members and Managers of the Board of Directors

The Board of Directors performs the following activities:

- Inspection and approval of the strategic, institutional/corporate, industrial and financial plans of the Company,
- Granting and withdrawing authority delegation to the Delegate Member, determination of the limits, method of use and duration of such authorities,
- Comparing the results with regular budgets and monitoring the general performance of the studies conducted by paying due regard to conflict of interests and by taking into consideration the information received from the Internal Control Committee and the Delegate Member,
- Taking decisions related to the same for Real Estate,
- Issuing share certificates and bonds,
- Becoming a partner to companies and enterprises to be newly founded or participating to the ones already present,
- Inspection and approval of transactions with a specific economic, equity or financial impact, by paying due care to the related partner processes,
- Verifying the competency of the overall organization and administrative structure of the Company as organized by the Delegate Member,
- Informing the shareholders regarding shareholders meetings.

The authorities and responsibilities of the members of the Board of Directors have been clearly specified at article 10 of the articles of association. Since the authorities and responsibilities of the managers can change any time due to the dynamic structure of the Company and business life, the authorities and the relevant responsibilities are indicated in detail at the signatory circular.

23. The Activity Fundamentals of the Board of Directors

The Board of Directors meeting is held at least quarterly. Save for exceptional situations, the members of the Board of Directors are equipped with the necessary documents and information a reasonable time in advance to enable them to state an informed opinion regarding the inspected matters.

There is a Board of Directors secretariat formed to enable notification and communication of the members of the Board of Directors. If a differing opinion is expressed at the meeting and/or there is opposition to a decision taken by the Board of Directors, reasonable and detailed vote justifications in this regard need to be recorded at the decision minutes, forwarded to the company auditors in writing and notified to the public. Although our Company does not have any reservations in this regard, such an application has not been made up to this date since such a situation has not yet been encountered.

Due attention is paid to ensure active participation to the Board of Directors meetings related to the matters taking place at Part IV article 2.174 of SPK Institutional Management Principles. The questions asked by the members of the Board of Directors during the meeting are recorded on the minutes of the meeting. No member of the Board of Directors has been granted a weighted vote right and/or negative veto right to ensure equality among the members.

Within 2015 activity period, **15 meetings** have been convened by the Board of Directors. All Board of Directors attended the 9 meetings of 15 meetings.

24. Prohibition of Transacting and Competing with the Company

Our members of the Board of Directors are set free by our shareholders in the framework of articles 334 and 335 of the Turkish Code of Commerce at the Ordinary General Assembly convened each year.

25. Code of Ethics

There is a pyramid system related to the principles and procedures. This system can be summarized as follows:

Code of Ethics: These rules cover the general principles – transparency, fairness and devotion – forming the business relations at each and every level within the Company. With the belief that business ethics should go hand in hand with success at work, the Company conducts its internal and external processes as per the principles stated in these rules.

Internal Control System: This system is a group of “instruments” aimed at assuring operation yield and effectiveness, reliability of financial and management data, obeying laws and legislation and even the protection of Company assets against a possible fraud within reasonable limits. Internal control systems based on and defined by these general applications are implemented at all corporate levels.

Behavioral Pattern: Behavioral pattern puts forth special rules in the relations with the representatives of Public Administration and identifies the main operational applications indicated at the Code of Ethics, by classifying a proper behavioral pattern as “to do” and improper behavioral patterns as “not to do”.

Internal Executive Procedures and Policies of the Company: These elements, as a natural extension of the internal control system, comprise the main fields of business. Thus, they specify the internal rules related to the main fields of activity of the Company.

Türk Prysmian identifies the internal rules and structure related to the main fields for its officers and managers alike via regulations and policies such as Recruitment, Purchasing, Investment, Environmental Protection, Information Systems, Stock Assessment and Intellectual Property Rights Regulations.

All the regulations and policies are presented to the officers in an updated manner from the intranet page of the Company.

Furthermore, **Please see.** Prysmian Group Values and Code of Ethics

26. Number, Structure and Independence of the Committees Comprised at the Board of Directors

Name of Committee	Number of Annual Meetings (Minimum)	Number of Members	Number of Independent Members
Auditing Committee	4	2	2

Members of the Auditing Committee: Ali Aydın Pandır, Ayşe Canan Ediboğlu

Name of Committee	Number of Annual Meetings (Minimum)	Number of Members	Number of Independent Members
Early Risk Detection and Risk Management Committee	6	3	2

Members of the Early Risk Detection and Risk Management Committee: Ali Aydın Pandır, Ayşe Canan Ediboğlu, Alberto Maria Tagliabue

Name of Committee	Number of Annual Meetings (Minimum)	Number of Members	Number of Independent Members
Institutional Management Committee	4	4	1

Members of the Institutional Management Committee: Fabio Ignazio Romeo, Ali Aydın Pandır, Nevin Kocabaş, Alper Gün

Investor Relations: Department manager informed about the activity of investor relations and prepare a report related to the Corporate Governance Communique item 11 and presented this report to the Board of Directors .

As per Article 4.5.1 of the Communiqué of the Capital Market Board Serial IV no. 56 regarding the Determination and Implementation of Institutional Management Principles, the duties of the Institutional Management Committee comprise the establishment of **Nomination and Charging Committees**; however it has been decided for the duties of such committees to be executed by the Institutional Management Committee again as per the same article, and thus the Working Principles of the Institutional Management Committee has been determined as to cover the fields of duty and working principles of that former committees as well.

All committees are properly working according to the working principles and according to the legislations.

Detailed information related to the working principles of all the committees have been disclosed to the public under the “*Investor Relations*” section at the Company web site.

Assessment of the Functioning of Internal Audit, Internal Control and Risk Management Systems during 2015 Activity Period

Working in the cable sector, Prysmian Group has established adequate Internal Control, Internal Audit and Risk Management systems (internal systems), suitable to its activity and business branches. In the formation of the internal systems, both the local legislation and the requirements of Prysmian Group have been taken as basis for monitoring and managing risks integrated with the activities. The internal systems are in compliance to independency, objectivity, effectiveness, adequacy and division of powers within the organization. All our activities and business processes target customer satisfaction, sustainable income generation and risk-sensitive capital management and elevating the economical values of the shareholders. Prysmian Group Board of Directors is responsible to ensure that the internal systems are established and administered in compliance with the legislation, and the activities of this responsibility related to financial control and audit is conducted by the hand of the Committee responsible from Audit. In performance of this function, the Auditing Committee reviews, evaluates in detail the reports received by the Audit Department founded to review, audit and report on the effectiveness of our processes on financial terms; give the necessary instructions to the Company management and submits to the information and approval to the Board of Directors as necessary. The Board of Directors conducts its activities under the structure and coordination of the Auditing Committee. The Auditing Directorate reviews the financial effectiveness of all the business processes of the Company, tests the suitability, efficiency and implementation level of the relevant audit mechanisms, identifies the measures to be taken to eliminate the deficiencies if any together with the operational departments and reports the results thereof to the Auditing Committee.

27. Financial Rights Granted to the Board of Directors

The rights granted to the members of the Board of Directors are decided at the General Assembly and there is no rewarding mechanism reflecting the Company performance of that is based on the performance of the members of the Board of Directors in determining the financial rights thereof.

During 2015, €70,000 net attendance fee was paid to the independent members of the Board of Directors. Other than this, there is no payment that has accrued for 2015 and paid to the members of the Board of Directors and to the other executive management. Furthermore, no loan was given to any member of the Board of Directors or Senior Manager of the Company within the period, no credit was made utilized, benefit was not obtained under the title of a credit through the mediation of a third party and securities were not given on their behalf such as baills.

28. Miscellaneous

The Report's conclusion covering the company's relationship with the parent company and subsidiaries as per the provisions of the Turkish Commercial Code no 6102 and the Capital Markets legislation;

- It was understood that our Company's long-term and continuous purchase of commercial good and services from its affiliates was not more than 10% of the cost of sales in the publicly disclosed 2015 financial statements, and that the selling transactions was not more than 10% of the total revenues in the publicly disclosed 2015 financial statements,
- That the transactions with our affiliates were carried out, by way of making counter promises measuring up with its peers, in line with the group transfer pricing directives and in conformity with Transfer Pricing rules with no distinction of countries or companies as per our company's board resolution of 09.05.2014 no 2014/16 and that they were reasonable within the frame of commercial standards;
- The audits and assessments found that, according to the known circumstances and conditions relating to Affiliated Party Transactions; in each legal transaction between our Company Türk Prysmian Kablo ve Sistemleri A.Ş. and the parent company and subsidiaries mention in article 199 of the Turkish Commercial Code, a suitable counter promise was ensured in each legal transaction in 2015, with no taken or avoided measures or the Company suffered no losses because a certain measure was aken or avoided.

As there were no losses, there was no need for loss offsetting.

Legal Basis of the Annual Report:

The Annual Report for the Group's Fiscal Year 2015 was drafted as per paragraph three of article 516 of the Turkish Commercial Code, and article 518 based on the provisions of the “Regulations Covering the Determination of the Minimal Contents of Annual Corporate Reports” of the Ministry of Customs and Trade and “Directives on Financial Reports in the Capital Markets” of the Capital Markets Board.

Principles for the Drafting of Annual Report:

The annual report correctly, completely, honestly and accurately reflects the flow of businesses and transactions of the company for the related fiscal year, its financial situation in all aspects, in a manner also protecting the company's rights and interests. The annual report contains no misleading, exaggerated and misunderstandable, and incorrect statements. Pains were taken to make sure the annual report would completely and accurately detail all information about the company's activities accessible to corporate shareholders.

Endorsement of the Annual Report:

The Group's annual report for the 2015 fiscal year was signed and endorsed by the Board Members on March 1, 2016.

Chairman of the Board of Directors

Halil İbrahim KONGUR

TÜRK PRYSMIAN ETHICAL CODE

Türk Prysmian Kablo ve Sistemleri A.Ş. ETHICAL CODE

Ethical business conduct is critical to our business and a shared responsibility of all members of the Prysmian Group.

Each employee is responsible for protecting our most valuable asset - our reputation. This Code of Ethics (the "Code") applies to anyone conducting business on behalf of Prysmian or any of its subsidiaries, including but not limited to all managers, officers, employees, agents, representatives, lobbyists, interns, contractors, suppliers, and consultants ("Covered Parties"), and seeks to guide our legal and ethical responsibilities, to deter wrongdoing, and to promote:

- Compliance with applicable laws, rules and regulations;
- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- The integrity of our financial information, which influences the decisions of management and our Board of Directors, as well as the ways in which the outside world perceives and evaluates us;
- Full, fair, accurate, timely and understandable disclosure in reports and documents we file with or submit to government authorities and in other public communications; and
- Accountability for adherence to this Code, including prompt internal reporting of any suspected violations.

To meet these objectives, this Code encourages Covered Parties to express any concerns they may have relating to corporate accountability. No discrimination or retaliation against any person who, in good faith, reports such concerns will be tolerated. Anyone who retaliates against an individual under such circumstances will be subject to disciplinary action, up to and including termination of employment.

All Covered Parties must read, understand, and adhere to this Code and all other applicable company policies. Violations of law, this Code or other Company policies or procedures can lead to disciplinary action, up to and including termination of employment and/or termination of business relations.

ARTICLE 1 - PREMISE

The Prysmian Group structures its own internal and external activities according to the principles set forth in this Code, with the conviction that ethics in the conduct of business activities must be pursued at the same time and with equal emphasis as the economic success of the business. The Prysmian Group is committed to conducting its business in accordance with the highest standards of ethical behaviour, complying with all applicable laws and regulations, avoiding even the appearance of unethical or illegal conduct.

ARTICLE 2 - OBJECTIVES AND VALUES

The primary objective of the Prysmian Group is to create value for the shareholders. Industrial and financial strategies and the resulting operative conduct, based on the efficient use of resources, are oriented to achieving this goal.

In pursuing this objective Prysmian Group Companies and all Covered Parties must unfailingly comply with the following principles:

- As active and responsible members of the communities in which we operate, we are committed to respecting all applicable laws wherever we do business, and to following all commonly accepted principles of business ethics, such as transparency, honesty and loyalty.
- We refuse to engage in any illegitimate, unfair, or in any way questionable behavior (vis-à-vis the community, public authorities, customers, employees, investors and competitors) to achieve economic targets, which we pursue only through excellent performance, quality, competitive products and services, based on experience, customer care and innovation.
- We establish organizational controls designed to prevent Covered Parties from violating these requirements of lawfulness, transparency, honesty and loyalty, and supervise their observance and implementation.
- We impose consequences for any violations of these policies and principles.
- We maintain accurate books and records, and assure the investors and the community in general total transparency about our activities.
- We are committed to fair competition, which benefits us as well as all market operators, customers and stakeholders.
- We pursue excellence and competitiveness in the market place, offering quality services and products.
- We safeguard and enhance the value of all our employees.
- We respect the environment and use natural resources responsibly, with the goal of advancing sustainable development and protecting the rights of future generations.

ARTICLE 3 - SHAREHOLDERS

The Prysmian Group is committed to guarantee equal treatment to all classes of shareholders, and to avoid preferential treatment of any class or company. We pursue the reciprocal benefits that derive from belonging to a group of companies while respecting all applicable laws and regulations and the independent interest of each Company as it seeks to create value.

ARTICLE 4 - CUSTOMERS

The excellence of the products and services offered by the Prysmian Group depends on customer care and the readiness to satisfy customer requirements. We therefore seek to assure an immediate, qualified and competent response to customer needs, through honesty, courtesy and cooperation.

ARTICLE 5 - COMMUNITIES

The Prysmian Group contributes to the economic welfare and growth of the communities in which it operates by delivering efficient and technologically advanced services. We are a citizen of each locality where we are established to do business, and like individual citizens, we have a responsibility to support the community. It is our goal to take part in projects to further the welfare of our local communities and thus be a good and contributing citizen.

Group Companies adhere to all applicable laws and regulations and maintain good relations with local, national and super-national Authorities, based on by full and active cooperation and on transparency.

Consistent with these objectives and with the responsibilities they have assumed toward different stakeholders, Group Companies recognize research and innovation as priority conditions for growth and success.

Group Companies view favorably and, when necessary, support social, cultural and educational initiatives directed at enhancing the individual and improving his/her living conditions.

Group Companies do not disburse contributions, advantages or other conveniences or things of value to government officials (including employees of state-owned or controlled entities or enterprises), political parties or trade union organizations, nor to their representatives or candidates, except as permitted by applicable laws and by the provisions of this Code and other applicable Prysmian Group policies.

ARTICLE 6 - HUMAN RESOURCES

The Prysmian Group recognizes the central role of human resources; the professional contribution of employees, in a framework of mutual loyalty and trust, is the essential ingredient for success in every business concern.

Group Companies safeguard safety and health in working environments and consider the respect of worker rights fundamental to the carrying out of business activities. Employment contracts and Group policy guarantee equal opportunities and favor the professional growth of each individual.

ARTICLE 7 - ENVIRONMENT

The Prysmian Group believes in a global sustainable growth in the common interest of all stakeholders, present and future. Their investment and business choices are consequently fashioned to respect the environment and public health.

Without prejudice to compliance with specified forceable regulations, Group Companies take environmental issues into consideration when defining their choices, also by adopting -if operationally and economically feasible- eco-compatible production technologies and methods, with the objective of reducing the environmental impact of their activities.

ARTICLE 8 - ANTI-BRIBERY POLICY

Bribery of public officials is prohibited.

- No Covered Party may provide, either directly or indirectly, anything of value to any Public Official in order to obtain or retain business or to obtain an improper business advantage.
- The term "Public Official" is defined very broadly, and includes an employee of a government owned or controlled entity or a public international organization, any political party, any candidate for public office. Whenever dealing with entities or persons connected with a government entity, Prysmian employees shall comply with the principles set forth in this Code which govern our conducts and strictly adhere to the Prysmian policies and procedures.

Commercial bribery is prohibited.

- No Covered Party may provide, either directly or indirectly, anything of value to any person in order to obtain or retain business, confidential information, or an improper business advantage.
- No Covered Party may accept anything of value in exchange for awarding business, providing confidential information, or an improper business advantage.

The Anti-Bribery Policy requires adherence to other Group Policies and Procedures promulgated from time to time concerning.

- Offering, paying, or accepting gifts, courtesies, entertainment or travel expenses to, from, or on behalf of a Public Official or any supplier, customer, or competitor; and
- Engaging consultants, agents, lobbyists, joint venture partners or other third parties.

ARTICLE 9 - INFORMATION - BOOKS AND RECORDS

The Prysmian Group are aware of the importance of correct information on their own activities for the investors and the community in general. Consequently, to the extent compatible with the confidentiality requirements inherent in conducting a business, Group Companies strive for transparency in their relations with all stakeholders. In particular, Group Companies communicate with the investors according to principles of honesty, clarity and equal access to information.

Group Companies maintain books, records and accounts in reasonable detail to accurately and fairly reflect all of their transactions, and to retain relevant documentation in accordance with Group policies concerning record retention.

Group Companies and Covered Parties must never, under any circumstance, engage in inaccurate, false or misleading record keeping, even if one might reasonably believe the consequences of the inaccuracy would be harmless. This policy of full, fair, accurate and timely recording of information extends to time reports, expense reports and other personal Company records.

No false or artificial entries shall be made in the books and records of the Prysmian Group. No undisclosed or unrecorded funds may be established. "Off the books" payments are prohibited. No individual shall ever engage in any arrangement that results in a prohibited act.

ARTICLE 10 - EXPORT CONTROLS AND ECONOMIC SANCTIONS

It is the policy of the Prysmian Group to comply with all applicable export control laws. All Prysmian Group employees must comply with these laws. Under no circumstances are Prysmian Group employees permitted to make a transfer, export, re-export, sale, or disposal of any product, technical data or service contrary to applicable export control laws.

The Prysmian Group will comply with all applicable economic sanctions laws against certain entities and countries, including applicable economic sanctions imposed by the UN, the EU, the United States, and other jurisdictions in which the Prysmian Group conducts business.

ARTICLE 11 - OBSERVANCE OF CODE

All Group Companies, Corporate bodies, and Covered Parties must strictly adhere to this Code, to all applicable laws and regulations, and to all policies and procedures that the Group may promulgate from time to time to implement this Code.

The Prysmian Group is committed to implementing and enforcing specific procedures, regulations and instructions to ensure that all Group companies and Covered Parties adhere to the values and requirements set forth in this Code.

Violations of this Code, any of the implementing policies and procedures or other Group policies, or of any applicable law or regulation will be grounds for serious disciplinary action, including possible termination of employment and/or termination of business relations.

As part of its commitment to ethical and legal behavior, the Prysmian Group requires Covered Parties to report any actual or apparent violations of law or this Code or ethical standards so that they can be investigated and dealt with appropriately. This obligation extends to any instance where one suspects, but is uncertain whether, a violation may be occurring. Failure to comply with the duty to come forward is a violation of this Code and can result in serious disciplinary action, including possible termination of employment and/or termination of business relations.

The Prysmian Group will investigate all reports made and will not tolerate any kind of retaliation for reports or complaints made in good faith.

All persons subject to this Code have a duty not only to report violations but also to cooperate fully in the investigation of any alleged violation. An employee may be subject to disciplinary action, which may include possible termination of employment, for failing to cooperate or deliberately providing false or misleading information during an investigation.

Türk Prysmian Kablo ve Sistemleri A.Ş.

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Prysmian
Group