

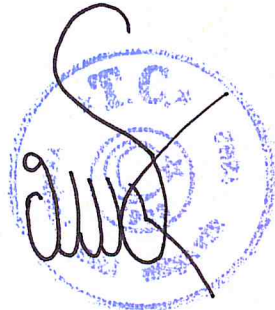
EGE SERAMİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

To The Board Of Directors Of
Ege Seramik Sanayi ve Ticaret A.Ş. ,

We have audited the accompanying consolidated financial position of Ege Seramik Sanayi ve Ticaret Anonim Şirketi (The Company), its subsidiaries (together "the Group") as at 31 December 2011 and the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Group Management's Responsibility For The Consolidated Financial Statements

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



Independent Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with financial reporting standards issued by the Capital Market Board (CMB). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Ege Seramik Sanayi ve Ticaret Anonim Şirketi and its subsidiaries as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with financial reporting standards published by CMB.

As Bağımsız Denetim ve YMM A.Ş.
(Member of NEXIA INTERNATIONAL)

Osman Tuğrul ÖZSÜT,
Partner



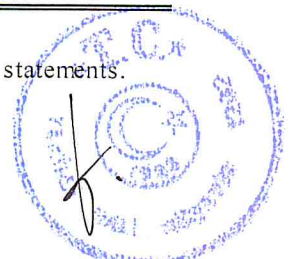
04 April 2012
Istanbul, Turkey



EGE SERAMİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED FINANCIAL POSITION AS OF 31.12.2011
(Currency-TRY, unless otherwise indicated)

ASSETS		Audited	Audited
	Notes	31 December 2011	31 December 2010
Current Assets		136.335.626	115.706.619
Cash and Cash Equivalents	6	13.691.058	11.632.351
Financial Assets	7	-	-
Trade Receivables	10	63.417.673	55.153.361
Due From Related Parties	10-37	24.084.525	20.280.640
Other Trade Receivables	10	39.333.148	34.872.721
Receivables From Finance Sector Activities	12	-	-
Other Receivables, (net)	11	9.948.619	9.155.291
Due From Related Parties	11-37	9.775.224	7.824.907
Other Receivables	11	173.395	1.330.384
Inventories	13	40.320.855	35.579.103
Biological Assets	14	-	-
Other Current Assets	26	8.957.421	4.186.513
Non-current Assets Available For Sales and Discontinued Operations	34	-	-
Non-current Assets		80.579.973	83.111.298
Trade receivables	10	-	-
Receivables From Finance Sector Activities	12	-	-
Other Receivables	11	21.527	1.316
Financial Assets	7	4.045	4.045
Investments Valued by Equity Method	16	-	-
Biological Assets	14	-	-
Investment Property	17	-	22.447
Tangible Fixed Assets	18	76.281.259	79.040.583
Intangible Fixed Assets	19	124.996	143.945
Goodwill	20	-	-
Deferred Tax Assets	35	4.126.355	3.832.638
Other Non-current Assets	26	21.791	66.325
Total Assets		216.915.600	198.817.917

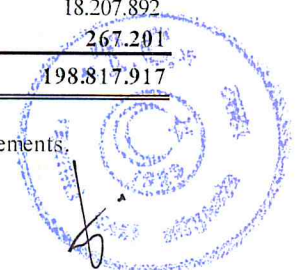
The accompanying accounting policies and other explanatory notes are an integral part of these statements.



EGE SERAMİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED FINANCIAL POSITION AS OF 31.12.2011
(Currency-TRY, unless otherwise indicated)

LIABILITIES		Audited	Audited
	Notes	31 December 2011	31 December 2010
Current Liabilities		50.390.342	41.521.064
Financial Liabilities	8	-	19.003
Other Financial Liabilities	9	-	-
Trade Payables	10	29.084.382	20.892.890
Due to Related Parties	10-37	-	35.937
Other Trade Payables	10	29.084.382	20.856.953
Other Payables	11	2.518.550	3.616.419
Other Payables to Related Parties	11-37	19.256	1.449
Other Payables	11	2.499.294	3.614.970
Payables From Finance Sector Operations	12	-	-
Government Incentives	21	-	-
Corporate Tax Provision for the Year	22-35	1.334.170	796.236
Debt Provisions	22	1.232.225	1.617.385
Advances Received	26	10.169.702	14.317.080
Other Current Liabilities	26	6.051.313	262.051
Non-current Assets Available For Sales and Discontinued Operations	34	-	-
Non-current Liabilities		10.536.726	14.787.982
Financial Liabilities	8	-	5.521.415
Other Financial Liabilities	9	-	-
Trade Payables	10	-	-
Other Payables	11	-	-
Payables From Finance Sector Operations	12	-	-
Incentives	21	-	-
Debt Provisions	22	-	-
Provision For Employee Benefits	24	10.536.726	9.266.566
Deferred Tax Liabilities	35	-	-
Other Non-current Liabilities	26	-	-
EQUITY		155.988.532	142.508.870
Equity Attributable to Equity Holders of The Parent		155.988.527	142.241.669
Paid in Capital	27	75.000.000	75.000.000
Inflation Adjustment Differences	27	24.778.008	24.778.008
Share Premium	27	35.838.595	35.838.595
Legal Reserves	27	799.762	289.820
Retained Earnings/(Loss)	27	566.359	(11.872.646)
Net Income/Loss for The Year	36	19.005.803	18.207.892
Minority Interest	27	5	267.201
TOTAL EQUITY AND LIABILITIES		216.915.600	198.817.917

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



EGE SERAMİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 31.12.2011
(Currency-TRY, unless otherwise indicated)

		Audited	Audited
	Notes	01.01-31.12.2011	01.01-31.12.2010
OPERATING INCOME			
Sales	28	199.450.822	160.611.872
Cost of Sales	28	(141.763.717)	(110.245.636)
GROSS PROFIT/ (LOSS)		57.687.104	50.366.236
Marketing, Selling and Distribution Expenses (-)	29	(13.139.831)	(9.940.028)
General Administrative Expenses (-)	29	(12.424.403)	(13.437.397)
Research and Development Expenses (-)	29	(1.668.214)	(1.323.009)
Other Operating Incomes	31	3.580.734	2.308.607
Other Operating Expenses	31	(8.653.885)	(4.612.237)
OPERATING PROFIT/ (LOSS)		25.381.505	23.362.171
Financial Incomes	32	11.854.117	11.495.380
Financial Expenses (-)	33	(13.021.754)	(11.704.790)
PROFIT/(LOSS) BEFORE PROVISION FOR TAXES		24.213.869	23.152.761
Tax Expense/Income		(5.208.066)	(4.935.239)
- Tax Expense/Income for The Year	35	(5.501.784)	(3.209.073)
- Deferred Tax Expense/Income	35	293.717	(1.726.166)
PROFIT/(LOSS) FOR THE YEAR		19.005.803	18.217.522
PROFIT/(LOSS) FOR THE YEAR		19.005.803	18.217.522
Other Comprehensive Income		-	-
Changes in Share Premium		-	-
Other Comprehensive Income(After Taxation)		-	-
TOTAL COMPREHENSIVE INCOME			
Distribution of Profit/(Loss) For The Period		19.005.803	18.217.522
Minority Shareholder	27	-	9.630
Attributable to Equity Holders of The Parent	36	19.005.803	18.207.892
Distribution of Total Comprehensive Income		-	-
Minority Shareholder		-	-
Attributable to Equity Holders of The Parent		-	-
Earnings Per Share	36	0,0025341070	0,0024277189

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



EGESERAMIK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY AS OF 31.12.2011
(Currency-TRY, unless otherwise indicated)

	Notes	Capital	Inflation Adjustment Differences	Share Premium	Legal Reserves	Minority Interest	Retained Earnings/(Loss)	Total Equity Capital
Balance at 01 January 2011		75.000.000	24.778.008	35.838.595	289.820	267.201	6.335.246	142.508.870
Capital Increase		-	-	-	-	-	-	-
Profit for The Year		-	-	-	-	-	19.005.803	19.005.803
Dividends		-	-	-	-	-	(4.589.451)	(4.589.451)
Additional Corporate Tax		-	-	-	-	-	(1.179.436)	(1.179.436)
Transfers	27	-	-	-	509.942	(267.196)	-	242.746
Balance at 31 December 2011		75.000.000	24.778.008	35.838.595	799.762	5	19.572.162	155.988.532

	Not	Capital	Inflation Adjustment Differences	Share Premium	Legal Reserves	Minority Interest	Retained Earnings/(Loss)	Total Equity Capital
Balance at 1 January 2010		75.000.000	24.778.008	35.838.595	289.820	257.571	(11.872.646)	124.291.349
Capital Increase		-	-	-	-	-	-	-
Profit for The Year		-	-	-	-	-	18.207.892	18.207.892
Transfers	27	-	-	-	-	9.630	-	9.630
Balance at 31 December 2010		75.000.000	24.778.008	35.838.595	289.820	267.201	6.335.246	142.508.870



EGE SERAMİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEAR ENDED 31.12.2011
(Currency-TRY, unless otherwise indicated)

		Audited 31 December 2011	Audited 31 December 2010
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit For The Year	Notes	19.005.803	18.207.892
Adjustments:			
Minority Interest	27	(267.196)	9.630
Depreciation and Amortisation	13-30-31	6.785.734	6.471.186
Provision for Employee Benefits	24	1.270.160	1.995.460
Provision for Diminution in Value of Inventories	31	(86.955)	91.913
Lawsuits Provision Expense, net	22	205.962	1.117.971
Provision for Unused Vacation Rights	22	378.857	-
Provision for Guarantee Expenses	22	4.008	-
Provision for Doubtful Receivables	10	1.076.593	901.345
Profit/(Loss) on Sale of Fixed Assets	18-19	5.416.709	2.006.777
Interest and Insurance Income Accruals	26	176.801	(50.375)
Expense Accruals (Interest and Other)	26	51.129	241.411
Other Provision for Losses	17	22.447	-
Unearned Interest Income	26	504.938	-
Unearned Interest Expense	26	(582.267)	-
Deferred Tax Assets	35	(293.717)	1.726.166
Operating income before working capital changes(+)		33.669.007	32.719.376
Cash Provided By (Used in) Operating Activities		(12.566.200)	7.661.804
Decrease/(increase) in Trade Receivables	10	(9.340.905)	(10.462.241)
Decrease/(increase) in Other Receivables	11	(813.539)	8.468.570
Decrease/(increase) in Inventories	13	(4.654.797)	(3.785.017)
Decrease/(increase) in Other Assets	26	(4.320.909)	(627.647)
Decrease/(increase) in Trade Payables	10	8.191.492	2.743.723
Decrease/(increase) in Other Payables	11	(1.097.869)	(2.198.160)
Current Period Profit Tax Provision	22-35	(641.502)	748.095
Decrease/(increase) in Debt Provisions	22	(973.988)	-
Provision for Employee Benefits	24	-	-
Decrease/(increase) in Other Liabilities	26	1.085.817	12.774.481
Net Cash Provided By (Used in) Operating Activities		21.102.807	40.381.180
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase/Sale of Tangible Fixed Assets, net	18	(9.397.354)	(7.499.656)
Purchase/Sale of Intangible Fixed Assets, net	19	(26.817)	(39.789)
Purchase/Sale of Financial Fixed Assets, net		-	-
Purchase/Sale of Investment Property, net		-	-
Cash Provided By/(Used in) Investing Activities		(9.424.171)	(7.539.444)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease/(increase) in Financial Liabilities	8	(5.540.418)	(30.407.523)
Decrease/(increase) in Other Financial Liabilities		-	-
Decrease/(increase) in Capital	27	509.942	-
Dividends Paid		(4.589.451)	-
Net Cash Provided By (Used in) Financing Activities		(9.619.927)	(30.407.523)
Net Increase In Cash And Cash Equivalents		2.058.707	2.434.211
Cash and Cash Equivalents at The Beginning of The Year	6	11.632.351	9.198.137
Cash and Cash Equivalents at The End of The Year		13.691.058	11.632.351

