

TURKCELL ILETISIM HIZMETLERI A S  
Form 6-K  
July 16, 2018

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated July 16, 2018

Commission File Number: 001-15092

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TURKCELL ILETISIM HIZMETLERI A.S.  
(Translation of registrant's name in English)

Aydınevler Mahallesi İnönü Caddesi No:20  
Küçükyalı Ofispark  
34854 Maltepe  
Istanbul, Turkey

(Address of Principal Executive Offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F          Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes          No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes          No

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes      No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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Enclosure: A press release dated July 13, 2018, regarding the share buy-back transactions.

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Istanbul, July 13, 2018

### Announcement Regarding the Share Buy-back Transactions

Within the scope of our Board of Directors' share buy-back decisions on July 27, 2016 and January 30, 2017, in addition to our buy-back transaction announced yesterday, our company purchased a total of 904,029 shares at a price range of TRY11.02 – 11.19 totaling TRY10,048,288 on July 12, 2018. With this transaction, our ratio of shares in company capital have reached 0.372%.

The details of the transaction are listed below.

Transaction Date	Type of Transaction	Nominal Value of Shares Subject to Transaction (TRY)	Transaction Price (TRY / Unit)	Transaction Value (TRY)	Nominal Value of Shares Owned Before Transaction (TRY)	Ratio of Shares Owned in Company Capital Before Transaction (TRY)	Nominal Value of Shares Owned After Transaction (TRY)	Ratio of Shares Owned in Company Capital After Transaction (TRY)
12.07.2018	Buy	6,255	11.02	68,930	7,269,513	0.330%	7,275,768	0.331%
12.07.2018	Buy	48,826	11.03	538,551	7,275,768	0.331%	7,324,594	0.333%
12.07.2018	Buy	15,000	11.04	165,600	7,324,594	0.333%	7,339,594	0.334%
12.07.2018	Buy	10,000	11.06	110,600	7,339,594	0.334%	7,349,594	0.334%
12.07.2018	Buy	37,507	11.07	415,202	7,349,594	0.334%	7,387,101	0.336%
12.07.2018	Buy	72,501	11.08	803,311	7,387,101	0.336%	7,459,602	0.339%
12.07.2018	Buy	49,330	11.09	547,070	7,459,602	0.339%	7,508,932	0.341%
12.07.2018	Buy	45,681	11.1	507,059	7,508,932	0.341%	7,554,613	0.343%
12.07.2018	Buy	120,105	11.11	1,334,367	7,554,613	0.343%	7,674,718	0.349%
12.07.2018	Buy	123,007	11.12	1,367,838	7,674,718	0.349%	7,797,725	0.354%
12.07.2018	Buy	135,219	11.13	1,504,987	7,797,725	0.354%	7,932,944	0.361%
12.07.2018	Buy	56,636	11.14	630,925	7,932,944	0.361%	7,989,580	0.363%
12.07.2018	Buy	88,293	11.15	984,467	7,989,580	0.363%	8,077,873	0.367%
12.07.2018	Buy	24,950	11.16	278,442	8,077,873	0.367%	8,102,823	0.368%
12.07.2018	Buy	10,000	11.17	111,700	8,102,823	0.368%	8,112,823	0.369%
12.07.2018	Buy	20,719	11.18	231,638	8,112,823	0.369%	8,133,542	0.370%
12.07.2018	Buy	40,000	11.19	447,600	8,133,542	0.370%	8,173,542	0.372%

For more information:

Turkcell Investor Relations

[investor.relations@turkcell.com.tr](mailto:investor.relations@turkcell.com.tr)

Tel: + 90 212 313 1888

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Turkcell Iletisim Hizmetleri A.S. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TURKCELL ILETISIM HIZMETLERI A.S.

Date: July 16, 2018 By: /s/ Zeynel Korhan Bilek  
Name: Zeynel Korhan Bilek  
Title: Investor Relations and Mergers & Acquisitions Director

TURKCELL ILETISIM  
HIZMETLERI A.S.

Date: July 16, 2018 By: /s/Bulent Aksu  
Name: Bulent Aksu  
Title: Chief Financial Officer

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At December 31, 2010 and 2009, the Company had reserves totaling \$0.4 million and \$0.9 million, respectively, primarily for various foreign income tax issues all of which, if recognized, would affect the effective tax rate.

The Company recognizes interest and penalties accrued related to the unrecognized tax benefits in the provision for income taxes. During 2010 and 2009, the Company recognized an insignificant amount in interest and penalties. The Company had approximately \$0.1 million and \$0.3 million for the payment of interest and penalties accrued at December 31, 2010 and 2009, respectively.

The Company believes that it is reasonably possible that the total amount of unrecognized tax benefits will change within the next twelve months. The Company has certain tax return years subject to statutes of limitation which will close within the next twelve months. Unless challenged by tax authorities, the closure of those statutes of limitation is expected to result in the recognition of uncertain tax positions in the amount of \$0.2 million.

#### Examination of Tax Returns

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, various states and foreign jurisdictions. The Company and its subsidiaries are generally no longer subject to U.S. federal, state and local examinations by tax authorities for years before 2005.

In September 2009, the Company was notified by the Internal Revenue Service (“IRS”) that it intended to examine the Company’s 2007 Federal tax return. The IRS concluded its review in February 2010 and issued a summary report. The results of the 2007 examination did not have a material effect on the Company’s unrecognized tax benefits, financial condition or results of operations.

#### Note 11. LEASE OBLIGATIONS

The Company has entered into non-cancelable operating leases for real property with original lease terms of up to ten years. In addition, the Company leases manufacturing and data processing equipment under operating leases expiring during the next four years.

In most cases, management expects that in the normal course of business, leases will be renewed or replaced by other leases. Future minimum lease payments as of December 31, 2010 are as follows (amounts in thousands):

2011	\$4,251
2012	3,664
2013	3,397
2014	3,256
2015	2,813
Thereafter	6,794
	\$24,175

Liabilities totaling \$0.3 million and \$0.4 million were recorded on the Consolidated Balance Sheets at December 31, 2010 and 2009, respectively, related to the Hazelwood, Missouri leased facility which has been partially abandoned and is available for sub-lease. This facility was abandoned as a cost saving measure as a result of efforts to restructure the Company’s operations. These liabilities are stated at fair value (i.e., discounted), and include estimates of sub-lease revenue. See Note 15 for further discussion of the liabilities related to the non-cancelable lease of this partially abandoned facility, and Note 16 for the amounts accrued in current and long-term liabilities.

Rental expense for 2010 and 2009 for operating leases was \$4.7 million for both years. Also, \$0.4 million of rent was paid and charged against liabilities in both 2010 and 2009 for non-cancelable leases at facilities abandoned as a result of restructuring initiatives. These payments were offset by sub-lease income of \$0.3 million in both years.

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## Note 12. RELATED PARTY TRANSACTIONS

Kohlberg & Co., L.L.C., whose affiliate holds all 1,131,551 shares of the Company's Convertible Preferred Stock, provides ongoing management oversight and advisory services to the Company. At December 31, 2010, the Company owed Kohlberg \$0.5 million for these services. This amount is recorded in accounts payable in the Consolidated Balance Sheets and selling, general and administrative expenses in the Consolidated Statements of Operations. Additionally, in February 2011 the Company received \$0.8 million from Kohlberg which will be recorded in accrued expenses in the Consolidated Balance Sheets and repaid at a later date. The Company also incurred an expense of and paid \$0.5 million for these services in 2009. The Company expects to incur \$0.5 million annually for these services in future years.

Concurrent with the Third Amendment (described above), in February 2011, loans of \$0.1 million each were received from two directors of the Company, and a loan of \$50,000 was received from the Company's Chief Executive Officer. In connection with these loans, the Company entered into subordinated promissory notes with these individuals. These notes mature on November 26, 2013 and accrue interest at a rate of 15% per year, to be paid in quarterly installments, which may be paid by capitalizing such interest and adding such capitalized interest to the principal amount of the subordinated notes.

## Note 13. GEOGRAPHIC INFORMATION

The Company operates businesses in the United States and foreign countries. The operations of businesses within major geographic areas for 2010 and 2009 are summarized as follows (amounts in thousands):

	United States	Canada	Europe	Other	Consolidated
2010:					
Sales to unaffiliated customers	\$ 126,122	\$ 8,528	\$ 2,724	\$ 3,626	\$ 141,000
Long-lived assets	\$ 26,621	\$ 291	\$ -	\$ -	\$ 26,912
Total assets	\$ 59,663	\$ 3,231	\$ -	\$ -	\$ 62,894
2009:					
Sales to unaffiliated customers	\$ 126,985	\$ 7,455	\$ 3,570	\$ 3,186	\$ 141,196
Long-lived assets	\$ 32,360	\$ 333	\$ -	\$ -	\$ 32,693
Total assets	\$ 63,119	\$ 3,321	\$ -	\$ -	\$ 66,440

Net sales for each geographic area include sales to unaffiliated customers located in that area, as reported in the Consolidated Statements of Operations.

## Note 14. COMMITMENTS AND CONTINGENCIES

## General Environmental Claims

The Company and certain of its current and former direct and indirect corporate predecessors, subsidiaries and divisions are involved in remedial activities at certain present and former locations and have been identified by the United States Environmental Protection Agency ("EPA"), state environmental agencies and private parties as potentially responsible parties ("PRPs") at a number of hazardous waste disposal sites under the Comprehensive Environmental Response, Compensation and Liability Act ("Superfund") or equivalent state laws and, as such, may be liable for the



cost of cleanup and other remedial activities at these sites. Responsibility for cleanup and other remedial activities at a Superfund site is typically shared among PRPs based on an allocation formula. Under the federal Superfund statute, parties could be held jointly and severally liable, thus subjecting them to potential individual liability for the entire cost of cleanup at the site. Based on its estimate of allocation of liability among PRPs, the probability that other PRPs, many of whom are large, solvent, public companies, will fully pay the costs apportioned to them, currently available information concerning the scope of contamination, estimated remediation costs, estimated legal fees and other factors, the Company has recorded and accrued for environmental liabilities in amounts that it deems reasonable and believes that any liability with respect to these matters in excess of the accruals will not be material. The ultimate costs will depend on a number of factors and the amount currently accrued represents management's best current estimate on an undiscounted basis of the total costs to be incurred. The Company expects this amount to be substantially paid over the next five to ten years.

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W.J. Smith Wood Preserving Company (“W.J. Smith”)

The matter with W. J. Smith, a subsidiary of the Company, originated in the 1980s when the United States and the State of Texas, through the Texas Water Commission, initiated environmental enforcement actions against W.J. Smith alleging that certain conditions on the W.J. Smith property (the “Property”) violated environmental laws. In order to resolve the enforcement actions, W.J. Smith engaged in a series of cleanup activities on the Property and implemented a groundwater monitoring program.

In 1993, the EPA initiated a proceeding under Section 7003 of the Resource Conservation and Recovery Act (“RCRA”) against W.J. Smith and the Company. The proceeding sought certain actions at the site and at certain off-site areas, as well as development and implementation of additional cleanup activities to mitigate off-site releases. In December 1995, W.J. Smith, the Company and the EPA agreed to resolve the proceeding through an Administrative Order on Consent under Section 7003 of RCRA. While the Company has completed the cleanup activities required by the Administrative Order on Consent under Section 7003 of RCRA, the Company still has further post-closure obligations in the areas of groundwater monitoring and ongoing site operations and maintenance costs, as well as potential contractual obligations related to real estate matters.

Since 1990, the Company has spent in excess of \$7.0 million undertaking cleanup and compliance activities in connection with this matter. While ultimate liability with respect to this matter is not easy to determine, the Company has recorded and accrued amounts that it deems reasonable for prospective liabilities with respect to this matter.

Asbestos Claims

A. The Company has been named as a defendant in eleven lawsuits filed in state court in Alabama by a total of approximately 325 individual plaintiffs. There are over 100 defendants named in each case. In all eleven cases, the Plaintiffs claim that they were exposed to asbestos in the course of their employment at a former U.S. Steel plant in Alabama and, as a result, contracted mesothelioma, asbestosis, lung cancer or other illness. They claim that while in the plant they were exposed to asbestos in products which were manufactured by each defendant. In nine of the cases, Plaintiffs also assert wrongful death claims. The Company will vigorously defend the claims against it in these matters. The liability of the Company cannot be determined at this time.

B. Sterling Fluid Systems (USA) (“Sterling”) has tendered approximately 2,800 cases pending in Michigan, New Jersey, New York, Illinois, Nevada, Mississippi, Wyoming, Louisiana, Georgia, Massachusetts, Missouri, Kentucky, California, South Carolina and Canada to the Company for defense and indemnification. With respect to one case, Sterling has demanded that the Company indemnify it for a \$200,000 settlement. Sterling bases its tender of the complaints on the provisions contained in a 1993 Purchase Agreement between the parties whereby Sterling purchased the LaBour Pump business and other assets from the Company. Sterling has not filed a lawsuit against the Company in connection with these matters.

The tendered complaints all purport to state claims against Sterling and its subsidiaries. The Company and its current subsidiaries are not named as defendants. The plaintiffs in the cases also allege that they were exposed to asbestos and products containing asbestos in the course of their employment. Each complaint names as defendants many manufacturers of products containing asbestos, apparently because plaintiffs came into contact with a variety of different products in the course of their employment. Plaintiffs claim that LaBour Pump Company, a former division of an inactive subsidiary of the Company, and/or Sterling may have manufactured some of those products.

With respect to many of the tendered complaints, including the one settled by Sterling for \$200,000, the Company has taken the position that Sterling has waived its right to indemnity by failing to timely request it as required under the 1993 Purchase Agreement. With respect to the balance of the tendered complaints, the Company has elected not to

assume the defense of Sterling in these matters.

C. LaBour Pump Company, a former division of an inactive subsidiary of the Company, has been named as a defendant in approximately 420 of the New Jersey cases tendered by Sterling. The Company has elected to defend these cases, the majority of which have been dismissed or settled for nominal sums. There are approximately 90 cases which remain active as of December 31, 2010.

While the ultimate liability of the Company related to the asbestos matters above cannot be determined at this time, the Company has recorded and accrued amounts that it deems reasonable for prospective liabilities with respect to these matters.

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## Other Claims

There are a number of product liability and workers' compensation claims pending against the Company and its subsidiaries. Many of these claims are proceeding through the litigation process and the final outcome will not be known until a settlement is reached with the claimant or the case is adjudicated. The Company estimates that it can take up to ten years from the date of the injury to reach a final outcome on certain claims. With respect to the product liability and workers' compensation claims, the Company has provided for its share of expected losses beyond the applicable insurance coverage, including those incurred but not reported to the Company or its insurance providers, which are developed using actuarial techniques. Such accruals are developed using currently available claim information, and represent management's best estimates, including estimated legal fees, on an undiscounted basis. The ultimate cost of any individual claim can vary based upon, among other factors, the nature of the injury, the duration of the disability period, the length of the claim period, the jurisdiction of the claim and the nature of the final outcome.

Although management believes that the actions specified above in this section individually and in the aggregate are not likely to have outcomes that will have a material adverse effect on the Company's financial position, results of operations or cash flow, further costs could be significant and will be recorded as a charge to operations when, and if, current information dictates a change in management's estimates.

## Note 15. SEVERANCE, RESTRUCTURING AND RELATED CHARGES

Over the past several years, the Company has initiated several cost reduction and facility consolidation initiatives, resulting in severance, restructuring and related charges. These initiatives resulted from the on-going strategic reassessment of the Company's various businesses as well as the markets in which they operate.

A summary of charges by major initiative is as follows (amounts in thousands):

	For the Years Ended December 31,	
	2010	2009
Wilco facility relocation	\$ 1,277	\$ -
Consolidation of St. Louis manufacturing/distribution facilities	-	92
Total severance, restructuring and related charges	\$ 1,277	\$ 92

Wilco facility relocation – In the second quarter of 2010, the Company informed employees of its intent to close the Wilco facility in Atlanta, Georgia and relocate the manufacturing and distribution functions to the CCP location in Bridgeton, Missouri. The relocation was completed by the end of 2010. Management believes that no further material charges will be incurred for this activity. Following is a rollforward of restructuring liabilities by type for the Wilco facility relocation (amounts in thousands):

	Total	One-time Termination Benefits	Contract Termination Costs	Other
Restructuring liabilities at January 1, 2010	\$-	\$-	\$-	\$-
Additions	1,277	217	633	427

Payments	(1,152 )	(92 )	(633 )	(427 )
Restructuring liabilities at December 31, 2010	\$125	\$125	\$-	\$-

This amount includes severance, benefits and other employee-related costs associated with employee terminations and is expected to be paid in the first half of 2011.

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Consolidation of St. Louis manufacturing/distribution facilities – In 2002, the Company committed to a plan to consolidate the manufacturing and distribution of the four CCP facilities in the St. Louis, Missouri area. Management believed that in order to implement a more competitive cost structure, the excess capacity at the four plastic molding facilities in this area would need to be eliminated. This plan was completed by the end of 2003. Management believes that no further charges will be incurred for this activity, except for potential adjustments to non-cancelable lease liabilities as actual activity compares to assumptions made. Following is a rollforward of restructuring liabilities for the consolidation of St. Louis manufacturing/distribution facilities (amounts in thousands):

	Contract Termination Costs
Restructuring liabilities at January 1, 2009	\$ 569
Additions	92
Payments	(246 )
Restructuring liabilities at December 31, 2009	\$ 415
Additions	-
Payments	(197 )
Other	96
Restructuring liabilities at December 31, 2010	\$ 314

This amount relates to non-cancelable lease liabilities for abandoned facilities, net of potential sub-lease revenue. The amount in Other represents changes to sub-lease revenue assumptions. Total maximum potential amount of lease loss, excluding any sub-lease rentals, is \$0.7 million as of December 31, 2010. The Company has included \$0.4 million as an offset for sub-lease rentals. This amount is expected to be paid in 2011. As of December 31, 2010, the Company does not anticipate any further significant severance, restructuring and other related charges in the upcoming year related to the plan discussed above.

A rollforward of all restructuring liabilities since January 1, 2009 is as follows (amounts in thousands):

	Total	One-time Termination Benefits	Contract Termination Costs	Other
Restructuring liabilities at January 1, 2009	\$569	\$-	\$ 569	\$-
Additions	92	-	92	-
Payments	(246 )	-	(246 )	-
Restructuring liabilities at December 31, 2009	\$415	\$-	\$415	\$-
Additions	1,277	217	633	427
Payments	(1,349 )	(92 )	(830 )	(427 )
Other	96	-	96	-
Restructuring liabilities at December 31, 2010	\$439	\$125	\$314	\$-

## Note 16. SUPPLEMENTAL BALANCE SHEET INFORMATION

The following table provides detail regarding other current assets shown on the Consolidated Balance Sheets (amounts in thousands):

	December 31,	
	2010	2009
Prepays	\$ 712	\$ 738
Non-trade miscellaneous receivables	397	385
Letters of credit collateral	348	-
Other	55	21
Total	\$ 1,512	\$ 1,144

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The following table provides detail regarding other assets shown on the Consolidated Balance Sheets (amounts in thousands):

	December 31,	
	2010	2009
Note receivable	\$ 1,349	\$ 1,200
Debt issuance costs, net	702	345
Rabbi trust assets	551	631
Deposits	218	267
Trade credits	216	229
Other	124	158
Total	\$ 3,160	\$ 2,830

The following table provides detail regarding accrued expenses shown on the Consolidated Balance Sheets (amounts in thousands):

	December 31,	
	2010	2009
Contingent liabilities	\$ 4,603	\$ 6,180
Advertising and rebates	3,156	2,777
Commissions	371	358
Accrued SARs	340	545
Non-cancelable lease liabilities		
- restructuring	314	227
Medical self insurance	294	310
Professional services	289	219
Accrued utilities	197	179
Pension and postretirement benefits	184	209
Asset retirement obligations	141	105
Sales tax	107	126
Deferred rent expense	71	71
Property taxes	36	126
Settlement payment - current	-	1,900
Accrued relocation expense	-	210
Other	671	710
Total	\$ 10,774	\$ 14,252

Contingent liabilities consist of accruals for estimated losses associated with environmental issues and the uninsured portion of general and product liability and workers' compensation claims.

The following table provides detail regarding other liabilities shown on the Consolidated Balance Sheets (amounts in thousands):

	December 31,	
	2010	2009
Pension and postretirement benefits	\$ 2,059	\$ 2,646
Deferred compensation	1,083	1,236



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Asset retirement obligations	751	751
Deferred lease	543	260
Deferred rent expense	500	571
Accrued income taxes - long-term	370	887
Settlement payment - long-term	-	2,200
Non-cancelable lease liabilities - restructuring	-	188
Total	\$ 5,306	\$ 8,739

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## Note 17. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid (refunded) for interest and income taxes during the years ended December 31 was as follows (amounts in thousands):

	December 31,	
	2010	2009
Interest	\$ 1,075	\$ 790
Income taxes	\$ 22	\$ (89 )

## Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## Item 9A. CONTROLS AND PROCEDURES

## Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our filings with the Securities and Exchange Commission (“SEC”) is reported within the time periods specified in the SEC’s rules, regulations and related forms, and that such information is accumulated and communicated to our management, including the principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Pursuant to Rule 13a-15(b) under the Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of our management, including the principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (pursuant to Rule 13a-15(e) under the Exchange Act) as of the end of the period of our report. Based upon that evaluation, the principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report.

## Management’s Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2010 based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of this assessment, management concluded that, as of December 31, 2010, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the company to provide only management’s report in this annual report.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

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Item 9B. OTHER INFORMATION

Effective March 28, 2011, the Company entered into the 2011 Change in Control Plan (“2011 CIC Plan”). An employee’s eligibility for participation in the 2011 CIC Plan is at the sole discretion of the Compensation Committee of the Board of Directors. Eligible participants of the 2011 CIC Plan must surrender any and all rights in any options and/or stock appreciation rights previously awarded by the Company, and acknowledge that he/she will not be entitled to receive any further options and/or stock appreciation rights from the Company or any other equity-based awards. Each participant is entitled to receive in connection with a change in control an amount equal to his/her share of the aggregate fair market value of the consideration to be delivered to the shareholders of the Company with respect to the outstanding securities of the Company, net of costs or expenses, as applicable, relating to the transaction that results in the change in control, subject to the terms and conditions of the 2011 CIC Plan. Each participant’s share is determined at the sole discretion of the Compensation Committee of the Board of Directors. As of the effective date of the 2011 CIC Plan, the Company’s Chief Executive Officer, David J. Feldman and the Company’s Chief Financial Officer (“CFO”), James W. Shaffer are participants in the 2011 CIC Plan. The participant share for David J. Feldman as a percentage of the aggregate fair market value of the consideration to be delivered to the shareholders of the Company is 3.0% of the first \$150 million and 5.0% of the excess above \$150 million. The participant share for James W. Shaffer is 1.5% of the aggregate fair market value of the consideration to be delivered to the shareholders of the Company.

Effective March 28, 2011, the Company entered into an amendment to the Employment Offer Letter (the “letter agreement”) with James W. Shaffer, the Company’s CFO, pursuant to which Mr. Shaffer is entitled to receive a lump-sum tax gross-up payment related to any payment or benefit provided by the Company under his letter agreement which will be subject to the excise tax imposed by Section 4999 of the Code. The payment will be sufficient such that, after giving effect to all federal, excise, state and other taxes and charges (including interest and penalties, if any) imposed upon the gross-up payment itself, Mr. Shaffer will be made whole for all taxes (including withholding taxes) and any associated interest and penalties, imposed under or as a result of Section 4999 of the Code on payments or benefits provided by the Company under his letter agreement.

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## PART III

## Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding the directors of the Company is incorporated herein by reference to the information set forth under the section entitled “Election of Directors” in the Proxy Statement of Katy Industries, Inc. for its 2011 annual meeting of shareholders (the “2011 Proxy Statement”), which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after December 31, 2010.

Information regarding executive officers of the Company is incorporated herein by reference to the information set forth under the section entitled “Information Concerning Directors and Executive Officers” in the 2011 Proxy Statement.

Information regarding compliance with Section 16 of the Securities Exchange Act of 1934 is incorporated herein by reference to the information set forth under the Section entitled “Section 16(a) Beneficial Ownership Reporting Compliance” in the 2011 Proxy Statement.

Information regarding the Company’s Code of Ethics is incorporated herein by reference to the information set forth under the Section entitled “Code of Ethics” in the 2011 Proxy Statement.

## Item 11. EXECUTIVE COMPENSATION

Information regarding compensation of executive officers is incorporated herein by reference to the information set forth under the section entitled “Executive Compensation” in the 2011 Proxy Statement.

## Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding beneficial ownership of stock by certain beneficial owners and by management of the Company is incorporated by reference to the information set forth under the section “Security Ownership of Certain Beneficial Owners” and “Security Ownership of Management” in the 2011 Proxy Statement.

## Equity Compensation Plan Information

The following table represents information as of December 31, 2010 with respect to equity compensation plans under which shares of the Company’s common stock are authorized for issuance:

Plan Category	Number of Securities to Be Issued on Exercise of Outstanding Option, Warrants and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuances Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)

Equity Compensation Plans Approved by Stockholders	270,250	\$5.44	0
Equity Compensation Plans Not Approved by Stockholders	1,628,017	\$2.26	587,513
Total	1,898,267		587,513

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Equity Compensation Plans Not Approved by Stockholders

On June 28, 2001, the Company entered into an employment agreement with C. Michael Jacobi, President and Chief Executive Officer. To induce Mr. Jacobi to enter into the employment agreement, on June 28, 2001, the Compensation Committee of the Board of Directors approved the Katy Industries, Inc. 2001 Chief Executive Officer's Plan. Under this plan, Mr. Jacobi was granted 978,572 stock options. Pursuant to approval by the Katy Board of Directors, the stock options granted to Mr. Jacobi under this plan were vested in March 2004. Upon Mr. Jacobi's retirement in May 2005, all but 300,000 of these options were cancelled.

On November 21, 2002, the Board of Directors approved the 2002 Stock Appreciation Rights Plan (the "2002 SAR Plan"), authorizing the issuance of up to 1,000,000 SARs. Vesting of the SARs occurs ratably over three years from the date of issue. The 2002 SAR Plan provides limitations on redemption by holders, specifying that no more than 50% of the cumulative number of vested SARs held by an employee could be exercised in any one calendar year. The SARs expire ten years from the date of issue. In 2010, a total of 60,000 SARs were granted to four employees with an exercise price of \$1.60. In 2009, 5,000 SARs each were granted to four employees, and 3,000 SARs each were granted to four employees, with an exercise price of \$1.70. Also in 2010 and 2009, 2,000 SARs each were granted to three directors with a Stand-Alone Stock Appreciation Rights Agreement. These SARs vest immediately and have an exercise price of \$1.75 and \$0.96, respectively. At December 31, 2010, Katy had 536,267 SARs outstanding at a weighted average exercise price of \$0.69. The 2002 SAR Plan also provides that in the event of a Change in Control of the Company, all outstanding SARs may become fully vested. In accordance with the 2002 SAR Plan, a "Change in Control" is deemed to have occurred upon any of the following events: 1) a sale of 100 percent of the Company's outstanding capital stock, as may be outstanding from time to time; 2) a sale of all or substantially all of the Company's operating subsidiaries or assets; or 3) a transaction or series of transactions in which any third party acquires an equity ownership in the Company greater than that held by KKTY Holding Company, L.L.C. and in which Kohlberg relinquishes its right to nominate a majority of the candidates for election to the Board of Directors.

On April 21, 2008, the Company entered into an employment agreement with David J. Feldman, its President and Chief Executive Officer. To induce Mr. Feldman to enter into the employment agreement, the Compensation Committee of the Board of Directors approved the Katy Industries, Inc. 2008 Chief Executive Officer's Plan (the "2008 Chief Executive Officer's Plan"). Under this plan, Mr. Feldman was granted 750,000 stock options. These options vest in three equal annual installments beginning on the first anniversary of the grant date of April 21, 2008.

On October 27, 2008, the Company entered into an employment agreement with James W. Shaffer, its Vice President, Treasurer and Chief Financial Officer. To induce Mr. Shaffer to enter into the employment agreement, the Compensation Committee of the Board of Directors approved the Katy Industries, Inc. 2008 Chief Financial Officer's Plan (the "2008 Chief Financial Officer's Plan"). Under this plan, Mr. Shaffer was granted 125,000 stock options. These options vest in three equal annual installments beginning on the first anniversary of the grant date of October 27, 2008.

On October 27, 2008, the Company entered into an employment agreement with Edward Carter, its Vice President – Sales and Marketing. To induce Mr. Carter to enter into the employment agreement, the Compensation Committee of the Board of Directors approved the Katy Industries, Inc. 2008 Vice President – Sales and Marketing's Plan (the "2008 Vice President – Sales and Marketing's Plan"). Under this plan, Mr. Carter was granted 125,000 stock options. Upon the separation from the Company of Mr. Carter in October 2010, all of Mr. Carter's stock options were cancelled.

On April 13, 2009, the Company entered into an employment agreement with Robert D. Redmond, its Vice President – Operations. To induce Mr. Redmond to enter into the employment agreement, the Compensation Committee of the Board of Directors approved the Katy Industries, Inc. 2009 Vice President – Operations' Plan (the "2009 Vice President – Operations' Plan"). Under this plan, Mr. Redmond was granted 125,000 stock options. Upon the separation from the

Company of Mr. Redmond in January 2011, all of Mr. Redmond's stock options were cancelled.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain relationships and related transactions with management is incorporated herein by reference to the information set forth under the section entitled "Executive Compensation" in the 2011 Proxy Statement.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information regarding principal accountant fees and services is incorporated herein by reference to the information set forth under the section entitled "Proposal 2 – Ratification of the Independent Public Auditors" in the 2011 Proxy Statement.



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PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements

The following financial statements of the Company are set forth in Part II, Item 8, of this Form 10-K:

- Consolidated Balance Sheets as of December 31, 2010 and 2009
- Consolidated Statements of Operations for the years ended December 31, 2010 and 2009
- Consolidated Statements of Stockholders' Equity and Comprehensive Loss for the years ended December 31, 2010 and 2009
- Consolidated Statements of Cash Flows for the years ended December 31, 2010 and 2009
- Notes to Consolidated Financial Statements

2. Exhibits

The exhibits filed with this report are listed on the "Exhibit Index."

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 31, 2011  
Registrant

KATY INDUSTRIES, INC.

/S/ David J. Feldman  
David J. Feldman  
President and Chief Executive Officer

/S/ James W. Shaffer  
James W. Shaffer  
Vice President, Treasurer and Chief Financial Officer



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## POWER OF ATTORNEY

Each person signing below appoints David J. Feldman and James W. Shaffer, or either of them, his attorneys-in-fact for him in any and all capacities, with power of substitution, to sign any amendments to this report, and to file the same with any exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of this 31st day of March, 2011.

Signature	Title
/S/ William F. Andrews William F. Andrews	Chairman of the Board and Director
/S/ David J. Feldman David J. Feldman	President, Chief Executive Officer and Director (Principal Executive Officer)
/S/ James W. Shaffer James W. Shaffer	Vice President, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)
/S/ Christopher Anderson Christopher Anderson	Director
/S/ Daniel B. Carroll Daniel B. Carroll	Director
/S/ Wallace E. Carroll, Jr. Wallace E. Carroll, Jr.	Director
/S/ Samuel P. Frieder Samuel P. Frieder	Director
/S/ Christopher Lacovara Christopher Lacovara	Director
/S/ Shant Mardirossian Shant Mardirossian	Director



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KATY INDUSTRIES, INC.  
EXHIBIT INDEX  
DECEMBER 31, 2010

Exhibit Number	Exhibit Title	
2	Preferred Stock Purchase and Recapitalization Agreement, dated as of June 2, 2001 (incorporated by reference to Annex B to the Company's Proxy Statement on Schedule 14A filed June 8, 2001).	*
3.1	The Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K on July 13, 2001).	*
3.2	The By-laws of the Company, as amended (incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q filed May 15, 2001).	*
10.1	Amended and Restated Katy Industries, Inc. 1997 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.20 of the Company's Quarterly Report on Form 10-Q filed August 9, 2006).	*
10.2	Katy Industries, Inc. Non-Employee Director Stock Option Plan (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-8 filed June 21, 1995).	*
10.3	Katy Industries, Inc. Supplemental Retirement and Deferral Plan effective as of June 1, 1995 (incorporated by reference to Exhibit 10.4 to Company's Annual Report on Form 10-K filed April 1, 1996).	*
10.4	Katy Industries, Inc. Directors' Deferred Compensation Plan effective as of June 1, 1995 (incorporated by reference to Exhibit 10.5 to Company's Annual Report on Form 10-K filed April 1, 1996).	*
10.5	Employment Agreement dated as of April 21, 2008 between David J. Feldman and the Company (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 13, 2008).	*
10.6	Katy Industries, Inc. 2008 Chief Executive Officer's Plan (incorporated by reference* to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 13, 2008).	*
10.7	CFO Employment Offer Letter dated as of October 27, 2008 between James W. Shaffer and the Company (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed October 27, 2008).	*
10.8	<u>Amendment to CFO Employment Offer Letter dated as of January 18, 2011 between James W. Shaffer and the Company.</u>	**
10.9	Katy Industries, Inc. 2008 Chief Financial Officer's Plan, (incorporated by reference* to Exhibit 10.9 to the Company's Annual Report on Form 10-K dated March 31, 2009).	*
10.10	<u>Subordinated Note dated February 14, 2011 between David J. Feldman and the Company.</u>	**
10.11	<u>Subordinated Note dated February 14, 2011 between Wallace E. Carroll, Jr. and the Company.</u>	**
10.12	<u>Subordinated Note dated February 14, 2011 between Daniel Carroll and the Company.</u>	**
10.13	Katy Industries, Inc. 2002 Stock Appreciation Rights Plan, dated November 21, 2002, (incorporated by reference to Exhibit 10.17 to the Company's Annual Report	*

on Form 10-K dated April 15, 2003).

- 10.14 Katy Industries, Inc. Executive Bonus Plan dated December 2001 (incorporated by \*  
reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K dated  
April 15, 2005).
- 10.15 Second Amended and Restated Loan Agreement dated as of November 30, 2007 \*  
with Bank of America, (incorporated by reference to Exhibit 10.1 to the Company's  
Current Report on Form 8-K filed December 5, 2007).
- 10.16 Revolving Credit, Term Loan and Security Agreement dated May 26, 2010, among \*  
Continental Commercial Products, LLC, Glit/Gemtex, Ltd., Katy Industries, Inc.  
and PNC Bank, National Association (incorporated by reference to Exhibit 10.1 to  
the Company's Current Report on Form 8-K filed June 2, 2010).

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<u>10.17</u>	<u>First Amendment to Revolving Credit, Term Loan and Security Agreement dated January 18, 2011, among Continental Commercial Products, LLC, Glit/Gemtex, Ltd., Katy Industries, Inc. and PNC Bank, National Association.</u>	<u>**</u>
<u>10.18</u>	<u>Second Amendment to Revolving Credit, Term Loan and Security Agreement dated January 18, 2011, among Continental Commercial Products, LLC, Glit/Gemtex, Ltd., Katy Industries, Inc. and PNC Bank, National Association.</u>	<u>**</u>
10.19	Third Amendment to Revolving Credit, Term Loan and Security Agreement dated January 18, 2011, among Continental Commercial Products, LLC, Glit/Gemtex, Ltd., Katy Industries, Inc. and PNC Bank, National Association(incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed March 4, 2011).	*
10.20	Stand-Alone Stock Appreciation Rights Agreement (incorporated by reference to* Exhibit 99.1 of the Company’s Current Report on Form 8-K filed September 6, 2006).	
<u>10.21</u>	<u>Katy Industries, Inc. 2011 Change in Control Plan effective as of March 28, 2011.</u>	<u>**</u>
<u>10.22</u>	<u>Director Compensation Arrangements</u>	<u>**</u>
<u>21</u>	<u>Subsidiaries of Registrant</u>	<u>**</u>
<u>23</u>	<u>Consent of Independent Registered Public Accounting Firm</u>	<u>**</u>
<u>31.1</u>	<u>CEO Certification pursuant to Securities Exchange Act Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	<u>**</u>
<u>31.2</u>	<u>CFO Certification pursuant to Securities Exchange Act Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	<u>**</u>
<u>32.1</u>	<u>CEO Certification required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	<u>**#</u>
<u>32.2</u>	<u>CFO Certification required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	<u>**#</u>

\* Indicates incorporated by reference.

\*\* Indicated filed herewith.

# These certifications are being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of Katy Industries, Inc. whether made before or after the date hereof, regardless of any general incorporation language in such filing.

