

**Special Circumstances Explanation (General)**

|   |                            |                       |   |                        |
|---|----------------------------|-----------------------|---|------------------------|
| 1 | HÜSNÜ DABAK                | FISCAL<br>MANAGER     | AKÇANSA CEMENT INDUSTRY<br>AND<br>COMMERCE<br>CORPORATION | 16.02.2011<br>16:16:28 |
| 2 | GARY NICHOLAS<br>WHITEHEAD | FINANCIAL<br>DIRECTOR | AKÇANSA CEMENT INDUSTRY<br>AND<br>COMMERCE<br>CORPORATION | 16.02.2011<br>16:17:33 |

|  |   |   |
|--|---|---|
| Address of the partnership   | : | Kozyatağı Mah. Kaya Sultan Sok. Hüseyin Bağdatlıoğlu İş Merkezi No:81 Kat:5-8 Bostancı Kadıköy/İSTANBUL   |
| Telephone and fax numbers  | : | 0216 571 30 00-0216 571 30 31   |
| Telephone and fax numbers of the Investor/ Shareholder Relations Unit of the partnership | : | 0216 571 30 00-0216 571 30 31   |
| Is the explanation a postponed explanation?  | : | No  |
| Summarized Information   | : | Explanation regarding decision of amendment of Article 3 (company purpose and subject) and of Article 6 (capital and stock shares) of the Main Contract |

**EXPLANATION:**

In the meeting of the Board of Directors of our Company № 787 dated 16.02.2011, it was decided to amend Article 3 (Company purpose and subject) of the Main Contract by adding (The principles of the frame work of the Capital Market Law shall be followed in establishing lien including guarantee, indemnification, assurance or mortgage on behalf of Company itself and in favor of third persons) and to amend Article 6 (Capital and stock shares) in accordance with modification draft provided below (in accordance with the Decision № 2007/11963 of the Council of Ministers regarding Removal of the expression "New" from New Turkish Lira and New Kuruş and Implementation Fundamentals) and to apply to Capital Market Committee and the Ministry of Trade to complete the formalities in order to obtain necessary permissions.

We declare that our explanations above are appropriate to the Essentials provided in the Capital Markets Committee's communiqué Series: VIII, No: 54, that they completely reflect the information we received on the subject(s), that the information is appropriate to our records and our documents, that all efforts have been made to obtain complete and correct information about the subject and that we are responsible for this declaration.

## PREVIOUS

### Article 3

#### Operational Purposes and Line of Business

The Company's Operational Purposes and the Line of Business are as follows:

1- To produce any kind of cement, lime, clinker, any kind of concrete and all kinds of bonding materials and to establish and operate the required plants and facilities; and to perform trading, importation and exportation of such goods and materials.

2- To perform the production, trading, importation and exportation of any kind of building and construction materials (cement, bricks, tiles, gravel, sand, iron, concrete and concrete products, etc.).

3- To be engaged in mining activities for the extraction and operation of limestone, clay, gypsum, marble, coal and any kind of minerals and ores and to this effect, to request and acquire mine and quarry exploration, extraction and operation permits, licences and privileges or to undertake those assigned by others and to establish and operate the plants and facilities required for such activities and to transfer to other persons the aforementioned rights under his possession.

4- To purchase and sell, import and export, rent or lease in and out of the country any kind of means of transportation, mixers, trucks, vans, concrete pumps used in mining, drilling, and excavation works and the related materials, facilities, tools, spare parts, raw materials and auxiliary materials.

5- To manufacture any kind of materials that can be used in the public works, industry, construction, etc. from the materials produced by it.

## CURRENT

### Article 3

#### Operational Purposes and Line of Business

The Company's Operational Purposes and the Line of Business are as follows:

1- To produce any kind of cement, lime, clinker, any kind of concrete and all kinds of bonding materials and to establish and operate the required plants and facilities; and to perform trading, importation and exportation of such goods and materials.

2- To perform the production, trading, importation and exportation of any kind of building and construction materials (cement, bricks, tiles, gravel, sand, iron, concrete and concrete products, etc.).

3- To be engaged in mining activities for the extraction and operation of limestone, clay, gypsum, marble, coal and any kind of minerals and ores and to this effect, to request and acquire mine and quarry exploration, extraction and operation permits, licences and privileges or to undertake those assigned by others and to establish and operate the plants and facilities required for such activities and to transfer to other persons the aforementioned rights under his possession.

4- To purchase and sell, import and export, rent or lease in and out of the country any kind of means of transportation, mixers, trucks, vans, concrete pumps used in mining, drilling, and excavation works and the related materials, facilities, tools, spare parts, raw materials and auxiliary materials.

5- To manufacture any kind of materials that can be used in the public works, industry, construction, etc. from the materials produced by it.

**6-** To obtain the trademark and patent licences for the innovations discovered by the company as a result of the investigations performed with the materials produced or manufactured by the company and to transfer and assign them to real or legal persons and entities.

**7-** To conclude any kind of know-how, royalty, licence, trade-mark and patent agreements and to establish cooperation and partnership with domestic and foreign real or legal persons and entities.

**8-** To purchase from the domestic or foreign companies the raw and auxiliary materials required by the goods and products to be produced or manufactured by the company and any kind of goods and materials such as as fuel, power, packaging materials, etc. and to produce those that are considered as necessary and to assume and undertake brokerage, distributorship, agency or representation works and activities on behalf of the domestic or foreign persons and entities manufacturing or producing the aforesaid items.

**9-** To perform trading and exportation of the goods and materials manufactured or produced by the company in relation with its line of business; and to this effect, to establish agencies and distributorship offices in and out of the country; to establish branch offices, to undertake or assign representation agency works, and to be engaged in contracting and brokerage works.

**10-** To work jointly with domestic or foreign real or legal persons and entities, to establish companies with such persons, to undertake and acquire partially or totally the enterprises already established or to purchase partners' shares of the existing companies or if required, to sell or transfer them to others providing not to be engaged in any kind of share portfolio management or brokerage activities

**6-** To obtain the trademark and patent licences for the innovations discovered by the company as a result of the investigations performed with the materials produced or manufactured by the company and to transfer and assign them to real or legal persons and entities.

**7-** To conclude any kind of know-how, royalty, licence, trade-mark and patent agreements and to establish cooperation and partnership with domestic and foreign real or legal persons and entities.

**8-** To purchase from the domestic or foreign companies the raw and auxiliary materials required by the goods and products to be produced or manufactured by the company and any kind of goods and materials such as fuel, power, packaging materials, etc. and to produce those that are considered as necessary and to assume and undertake brokerage, distributorship, agency or representation works and activities on behalf of the domestic or foreign persons and entities manufacturing or producing the aforesaid items.

**9-** To perform trading and exportation of the goods and materials manufactured or produced by the company in relation with its line of business; and to this effect, to establish agencies and distributorship offices in and out of the country; to establish branch offices, to undertake or assign representation agency works, and to be engaged in contracting and brokerage works.

**10-** To work jointly with domestic or foreign real or legal persons and entities, to establish companies with such persons, to undertake and acquire partially or totally the enterprises already established or to purchase partners' shares of the existing companies or if required, to sell or transfer them to others providing not to be engaged in any kind of share portfolio management or brokerage activities.

**11-** To purchase or hire the lands and real estates required by the company, to sell and rent the lands and real estates owned by the company, to consolidate and parcel out the immovable properties owned, to possess real and intangible rights, to establish real rights on the immovable assets owned and to have them registered under the name of the company, to enter annotations about the personal rights, such as rental, etc. on the immovable assets owned by the company, and to include the annotation of personal rights such as rentals, etc. on the immovable assets owned by the real and legal persons and entities.

**12-** To purchase, hire, operate, sell, transfer or rent any kind of road, marine, and air transportation vehicles in and out of the company.

**13-** To provide any kind of port services for the real or legal persons and the government and the public law legal entities in the ports, quays, related facilities and any kind of extensions owned, assumed, acquired or hired by the company; to make the necessary investments and to establish the necessary facilities to this effect; to provide, purchase, hire and rent any kind of machinery, equipment and spare parts related with the seaport services in and out of the country, and to sell and transfer them to others, to make the necessary applications and to receive the requisite permits and licences related thereof.

**14-** For the achievement of the operational purposes and the performance of the line of business;

**a-** To engage in any kind of financial, commercial and industrial contracting works, to conclude long-, medium- and short-term borrowing agreements, to receive any kind of secured or unsecured loans and credits, and if required, to put mortgages and pledges on the movable and immovable assets of the company on behalf of the company or any 3<sup>rd</sup> parties.

**11-** To purchase or hire the lands and real estates required by the company, to sell and rent the lands and real estates owned by the company, to consolidate and parcel out the immovable properties owned, to possess real and intangible rights, to establish real rights on the immovable assets owned and to have them registered under the name of the company, to enter annotations about the personal rights, such as rental, etc. on the immovable assets owned by the company, and to include the annotation of personal rights such as rentals, etc. on the immovable assets owned by the real and legal persons and entities.

**12-** To purchase, hire, operate, sell, transfer or rent any kind of road, marine, and air transportation vehicles in and out of the company.

**13-** To provide any kind of port services for the real or legal persons and the government and the public law legal entities in the ports, quays, related facilities and any kind of extensions owned, assumed, acquired or hired by the company; to make the necessary investments and to establish the necessary facilities to this effect; to provide, purchase, hire and rent any kind of machinery, equipment and spare parts related with the seaport services in and out of the country, and to sell and transfer them to others, to make the necessary applications and to receive the requisite permits and licences related thereof.

**14-** For the achievement of the operational purposes and the performance of the line of business; **On condition of making the necessary statements required by Capital Market Board and to be in conformity with the principles stated in Capital Markets legislation,**

**a-** To engage in any kind of financial, commercial and industrial contracting works, to conclude long-, medium- and short-term borrowing agreements, to receive any kind of secured or unsecured loans and credits, and if required, to put mortgages and pledges on the movable and immovable assets of the company on behalf of the company or any 3<sup>rd</sup> parties.

**b-** To have others place pledges and mortgages in favour of the company on the movable and immovable assets, operating licences and privileges pertaining to others if required by the works and contracts undertaken; or to acquire any related rights thereupon, to foreclose the mortgages placed and registered in favour of the company and to foreclose any pledges placed and registered in favour of the company.

**15-**To make donations to the Universities, educational institutions, the foundations exempt from tax liability, the associations working for the public benefit and the related persons and/or institutions.

**16-** To establish production facilities in the scope of autoproducer licence and to produce electricity and heat energy in order to supply it's own energy need according to electricity market regulations; to sell the electricity or heat energy and/or capacity surplus in case of production surplus to other licence owner legal entities and free consumers according to the related regulations and to operate (but not of commercial nature) in order to obtain all equipments and fuel for the production facility.

If the company is willing to get engaged in any other works considered suitable and necessary for the company in addition to the works and activities mentioned above, the issue shall be presented to the approval of the General Assembly upon the proposal of the Board of Directors; and the related works and activities can be performed by the company only after the related resolution is ratified. For the implementation of such a resolution that constitutes an amendment in the Articles of Incorporation, the necessary permit shall be obtained from the Ministry of Trade and the Capital Market Board.

**b-** To have others place pledges and mortgages in favour of the company on the movable and immovable assets, operating licences and privileges pertaining to others if required by the works and contracts undertaken; or to acquire any related rights thereupon, to foreclose the mortgages placed and registered in favour of the company and to foreclose any pledges placed and registered in favour of the company.

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**17-** The Company shall comply with Capital Market Legislation while establishing guarantee, suretyship, security or liens including hypothec, mortgage, pledge, in favor of the Company or third parties.

If the company is willing to get engaged in any other works considered suitable and necessary for the company in addition to the works and activities mentioned above, the issue shall be presented to the approval of the General Assembly upon the proposal of the Board of Directors; and the related works and activities can be performed by the company only after the related resolution is ratified. For the implementation of such a resolution that constitutes an amendment in the Articles of Incorporation, the necessary permit shall be obtained from the Ministry of Trade and the Capital Market Board.

## CURRENT

## PREVIOUS

### Article – 6

### Article – 6

### CAPITAL AND SHARES

#### CAPITAL AND SHARES

1- The Company has adopted the registered capital system in accordance with the provisions of the Law No. 2499 amended by the Law No. 3794 and implemented this system with the permission of the Capital Market Board dated 25<sup>th</sup>.9.1986 and numbered 347. The registered capital of the company is 500.000.000.00,-YTL. (FIVE HUNDRED MILLIONS), and it has been divided into 50.000.000.000 (FIFTY BILLIONS) registered shares each with the nominal value of 1 Ykr (new kurush).

1- The Company has adopted the registered capital system in accordance with the provisions of the Law No. 2499 amended by the Law No. 3794 and implemented this system with the permission of the Capital Market Board dated 25<sup>th</sup>.9.1986 and numbered 347. The registered capital of the company is 500.000.000.00,-TL. (FIVE HUNDRED MILLIONS), and it has been divided into 50.000.000.000 (FIFTY BILLIONS) registered shares each with the nominal value of 1 kr (kurush).**The authorization granted by Capital Market Board for registered capital ceiling is valid for 2011 to 2015 (five years). By the end of 2015, even though the ceiling authorized for registered capital has not been attained, it is compulsory to obtain permission for a new period from the General Assembly by obtaining the permission of the Capital Market Board for the previously authorized ceiling or a new ceiling in order that the Board of Directors take a resolution concerning capital increase after 2015. In case where the said permission is not obtained, the Company will be deemed to have left the registered capital system.**

The issued capital of the company is composed of a fully paid-up capital amount of 191.447.068,25 YTL (One hundred and ninety-one million and four hundred and forty-seven thousand and sixty-seven New Turkish Liras and twenty-five New Kurush); and it has been divided into 19.144.706.825 (Nineteen billion and one hundred and forty-four million and seven hundred and six thousand and eight hundred and twenty-five) units of shares each with the nominal value of 1 YKR. (one New Kurush). The portion of the capital paid in cash amounts to 286.207,24 YTL. Of the remaining amount:

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\* The amount of 2.031.750,00-YTL. is the amount added to our capital representing the issued capital of Akçimento Ticaret A.Ş. assumed and acquired in accordance with the provisions of the article 451 of the Turkish Commercial Code and the articles 37-39 of the Corporate Tax Law. (The issued capital, net worth and shareholders' equity of this company were determined with the Expertise Report dated 16<sup>th</sup>.07.1996 with reference to the Labour Resolution of Istanbul 4<sup>th</sup> Commercial Court of First Instance dated 12.07.1996 and numbered 1996/1370. Share certificates in proportion with the equity assumed and acquired were allocated and distributed among the partners of Akçimento Ticaret A.Ş. in return for the transfer as required by the Deed of Assignment.)

\*Commercial The amount of 0,01 YTL is the amount added to our capital representing the issued capital of Betonsa Beton Sanayi ve Ticaret A.Ş. assumed and acquired in accordance with the provisions of the article 451 of the Turkish revaluation surplus from the sales of Stock and Securities. Code and the articles 37-39 of the Corporate Tax Law. (The issued capital, net worth and shareholders' equity of this company were determined with the Expertise Report dated 24<sup>th</sup>.02.1998 with reference to the Labour Resolution of Istanbul 4<sup>th</sup> Commercial Court of First Instance numbered 1998/449. Share certificates in proportion with the equity assumed and acquired were allocated and distributed among the partners of Betonsa Beton Sanayi ve Ticaret A.Ş in return for the transfer as required by the Deed of Assignment.)

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The amount of 18,00 YTL is the amount added to our capital representing the issued capital of Agregasa Agregada Sanayi ve Ticaret A.Ş. assumed and acquired in accordance with the provisions of the article 451 of the Turkish Commercial Code and the articles 37-39 of the Corporate Tax Law. (The issued capital, net worth and shareholders' equity of this company were determined with the Expertise Report dated 12th.03.2002 with reference to the Labour Resolution of Istanbul 3rd Commercial Court of First Instance numbered 2002/449. Share certificates in proportion with the equity assumed and acquired were allocated and distributed among the partners of Agregasa Agregada Sanayi ve Ticaret A.Ş in return for the transfer as required by the Deed of Assignment.)

The amount of 2.868,75 YTL. is the amount added to our capital representing the profit gained from the sales of real estates.

The amount of 11.716.876,51YTL is the amount added to our capital representing the revaluation surplus of participations.

The amount of 15.198.668,70 YTL is the amount added to our capital representing the incomes from the sales of participation shares.

The amount of 281.601,23YTL. is the amount added to our capital representing the cost revaluation fund of fixed assets.

The amount of 10.615,71YTL is the amount added to the capital representing the premium on issue of shares.

The amount of 21.372.144YTL is the amount added to the capital representing the

The amount of 2.240.546,62YTL is the amount added to the capital representing the positive differences of the Capital Inflation Adjustment.

The amount of 18,00 TL is the amount added to our capital representing the issued capital of Agregasa Agregada Sanayi ve Ticaret A.Ş. assumed and acquired in accordance with the provisions of the article 451 of the Turkish Commercial Code and the articles 37-39 of the Corporate Tax Law. (The issued capital, net worth and shareholders' equity of this company were determined with the Expertise Report dated 12<sup>th</sup>.03.2002 with reference to the Labour Resolution of Istanbul 3<sup>rd</sup> Commercial Court of First Instance numbered 2002/449. Share certificates in proportion with the equity assumed and acquired were allocated and distributed among the partners of Agregasa Agregada Sanayi ve Ticaret A.Ş in return for the transfer as required by the Deed of Assignment.)

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The amount of 2.240.546,62TL is the amount added to the capital representing the positive differences of the Capital Inflation Adjustment.



The amount of 138.305.771,48YTL. is the amount added to the capital representing the revaluation fund created as per the revaluation provisions stipulated in the law no. 2791 and the law no. 3094 amending the Tax Procedures Law No. 213. The shares issued in consideration for these amounts added from the funds to the capital have been distributed among the partners of the company as bonus issues in proportion with their shares.

While the nominal value of the shares was 1000 (ONE THOUSAND) TL; it was changed as 1 Ykr. (ONE NEW KURUSH) as required by the Law No. 5274 amending TTK (Turkish Commercial Code). Due to this reason, the number of total shares has decreased and 1 share with the value of 1 Ykr. (ONE NEW KURUSH) will be given in return for 10 units of shares each with the value of 1000 (ONE THOUSAND) TL. The partners' rights arising from the shares owned by them in relation with this change shall be reserved.

The shares representing the capital are followed up in accordance with the recording principles.

2-The Board of Directors is authorized to increase the issued capital through issuing registered shares at any time required in accordance with the provisions of the Capital Market Law. Furthermore, the Board of Directors may issue shares with the value exceeding its nominal value when it decides to issue new shares. Any registered shares cannot be issued unless the share amounts are paid in full.

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**While the nominal value of the shares was 1000 (ONE THOUSAND) TL; it was changed as 1 nkr. (ONE NEW KURUSH) as required by the Law No. 5274 amending TTK (Turkish Commercial Code). "... and later it was changed as 1 kr (ONE KURUSH) as required by the Cabinet decision dated April 04, 2007 no:2007/11963 abrogating the term "new" from New Turkish Lira and New Turkish Kurush as of January 01, 2009"Due to this reason, the number of total shares has decreased and 1 share with the value of 1 kr. (ONE KURUSH) will be given in return for 10 units of shares each with the value of 1000 (ONE THOUSAND) TL. The partners' rights arising from the shares owned by them in relation with this change shall be reserved. The terms "Turkish Lira" stated in this Articles of Incorporation are the terms changed by the above indicated Cabinet decision.**

The shares representing the capital are followed up in accordance with the recording principles.

2- **The Board of Directors is authorized to increase the issued capital through issuing registered shares between years 2011 and 2015 on condition of not exceeding the Registered Capital ceiling.** Furthermore, the Board of Directors may issue shares with the value exceeding its nominal value when it decides to issue new shares. Any registered shares cannot be issued unless the share amounts are paid in full.

3- The Company keeps a share ledger as required in the article 417 of the Turkish Commercial Code. The transfer of registered shares is performed in accordance with the provisions of the Turkish Commercial Code and the Capital Market legislation. Furthermore, any transfer of shares shall be considered valid and effective only if is recorded within the company's share ledger. The transferee shall not be entered into the share ledger until the transfer of the related registered share performed in accordance with the aforementioned recording procedure is demonstrated and proved duly. Only the person recorded within the share ledger has the partnership right in the company. The legal provisions about the shares transferred by way of inheritance shall be reserved.

4-The shares of the company constitute an integral unit in respect of the company. The provision of the paragraph 2 of the article 25 shall be reserved.

5-The shareholders shall be responsible only with the amount of the shares owned by them.

6-The shareholders of the company shall be deemed to have accepted the provisions of these Articles of Incorporation hereby.

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