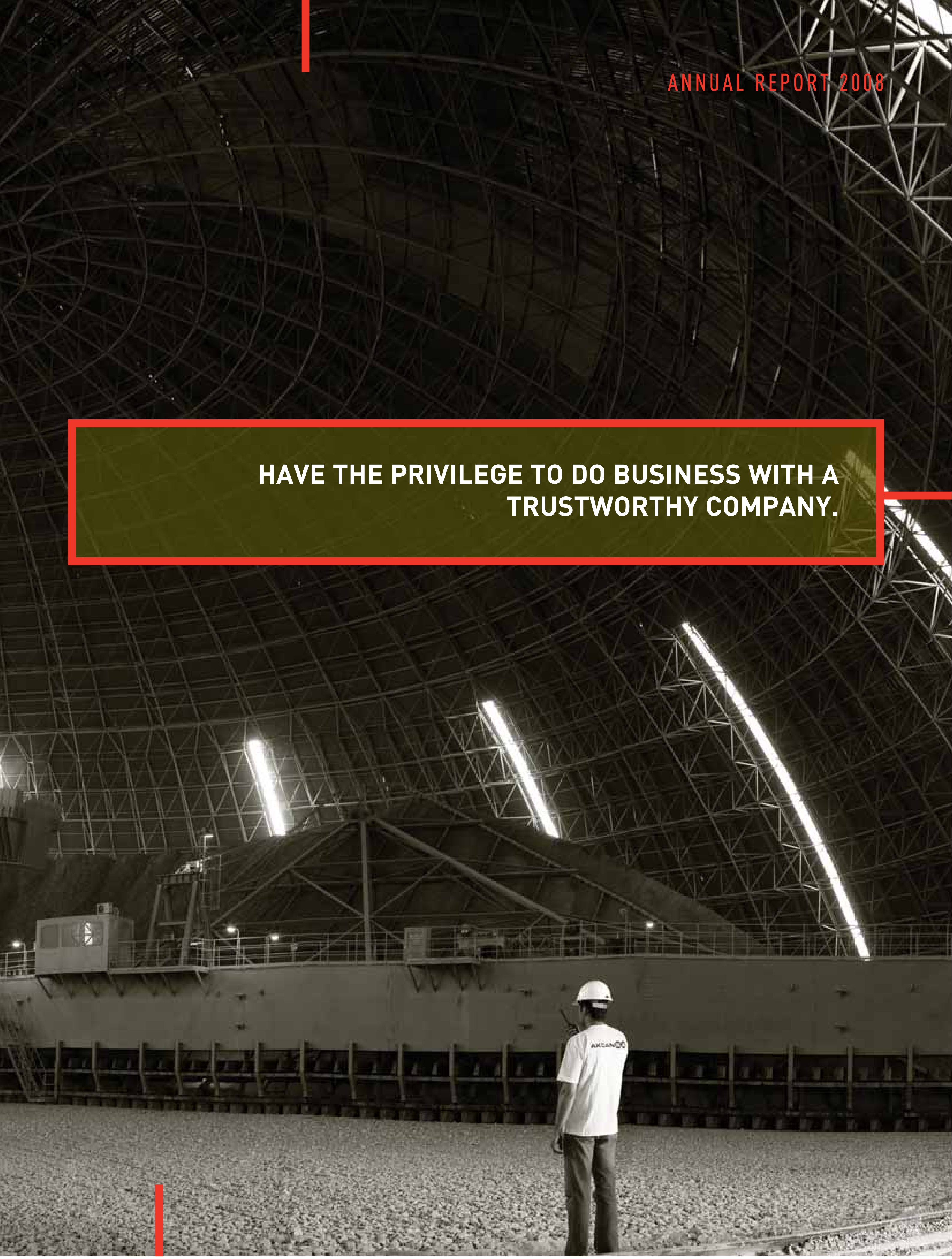
ANNUAL REPORT 2008



HAVE THE PRIVILEGE TO DO BUSINESS WITH A TRUSTWORTHY COMPANY.

AKÇANSA

Agenda

AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.

March 31, 2009 AGENDA OF ANNUAL GENERAL MEETING

1- Opening and election of the Annual General Meeting Committee,

2- Authorization of the Meeting Committee to sign the minutes of the meeting,

3- Presentation of the Board of Directors' annual report and the Independent Auditors and Audit Committee's reports,

4- Approval of the Company's donations and contributions in 2008,

5- Presentation, discussion and approval of the Balance Sheet and Income Statement, and resolution on the Board of Directors' Profit Distribution proposal,

6- Discharging the Board of Directors and Audit Committee members from their financial responsibilities,

7- Resolution on remuneration of the members of the Board of Directors and Audit Committee,

8- Election of Board of Directors and Auditors to replace those whose terms of office had expired, and the drawing up of a resolution on their term of office,

9- Authorization of the Chairman and Members of the Board of Directors in compliance with Articles 334 and 335 of the Turkish Commercial Code.

Date of Meeting : March 31, 2009
Time : 10:00
Location : Sabancı Center, Hacı Ömer Sabancı Salonu, Kule 2, 4. Levent/ISTANBUL

Contents

Company Profile

01

AS THE LEADER OF TURKEY'S CEMENT SECTOR, AKÇANSA PROVIDES ITS SERVICE THROUGH A COMBINATION OF PRODUCT COMPLIANCE WITH GLOBAL STANDARDS, ENVIRONMENTALLY FRIENDLY PRODUCTION PROCESSES, WHICH HAVE RECEIVED THE ACCLAIM OF THE ISTANBUL CHAMBER OF INDUSTRY, A NOTION OF SERVICE EXCELLENCE AND PLANTS EQUIPPED WITH CUTTING-EDGE TECHNOLOGY.

Akçansa, a joint venture between Sabancı Holding and Heidelberg Cement, was formed by Akçimento and Çanakkale Cement, which were established in 1967 and 1974, respectively. In 1996, the merger secured in Akçansa's position as Turkey's largest cement producer.

Operating in Turkey's Marmara, Aegean and Black Sea regions as a producer of cement and ready-mixed concrete, Akçansa later merged with its subsidiary, Betonsa, in 1998 and provides services from 31 ready-mixed concrete facilities under the "Betonsa" banner. Yet another merger, this time with its subsidiary, Agregasa Agrega was completed in 2002 and the Company continues its aggregate production activities under the "Agregasa" banner.

Akçansa aims to achieve "Premium quality in production and service", to fulfill the demand of both domestic and foreign customers and compete by means beyond price in a sector where it may be difficult to discern differences.

As the leader of Turkey's cement sector, Akçansa provides its service through a combination of product compliance with global standards, environmentally friendly production processes, which have received the acclaim of the Istanbul Chamber of Industry, a notion of service excellence and plants equipped with cutting-edge technology.

PLANT CAPACITIES (Tons/Year)	Cement Production Capacity	Clinker Production Capacity	Operation Capacity
Büyükçekmece	2,800,000	1,850,000	-
Çanakkale	5,500,000	4,000,000	-
Ladik	1,050,000	650,000	-
Ambarlı	-	-	1,600,000
Aliağa	-	-	350,000
Yalova	-	-	300,000
Yarımca	-	-	700,000

vision

"Sustainable growth beyond all boundaries"

To grow beyond all boundaries in building materials industry as a company having business model being trusted and most preferred for all of our stakeholders.

mission

To be the leading building materials company that enriches the life of quality of the society

With our culture committed to social, environmental, legal and ethical values and by creating value to;

our customers

with the innovative products, services and solutions,

our shareholders

with the superior financial performance,

our employees

being at the focus of our business model with the continuous development possibilities

Financial Highlights

Sales (Million Tons)	2006	2007	2008
Cement - Total	4.7	5.2	5.4
Domestic	4.1	4.9	4.8
International	0.6	0.3	0.6
Clinker	0.1	0.1	1
Domestic	0.1	0.1	0.5
International	0	0	0.5
Ready-Mixed Concrete (Million m^3)	2.9	3.2	3.7

(Million TL)	2006	2007	2008
Net Sales	582.66	696.5	804.4
EBITDA	214.72	238.9	231.31
%	36.85	28.34	28.75
EBIT	180.00	197.4	177.28
%	30.89	28.34	22.04
PROFITABILITY			
NET INCOME	146.47	185.8	104.3
Earnings Per Share	0.77	0.97	0.54
Dividend Per Share %	67.06	65.28	36.56
NET FINANCIAL DEBT	(141.84)	170.3	219.8
TOTAL EQUITY	789.72	841.7	753.1
TOTAL ASSETS	928.44	1,169.7	1,133.8

Message from the Chairman

AKÇANSA HAS COMPLETED ANOTHER YEAR AT THE END OF WHICH WE CAN BE PROUD OF OUR SCALE OF BUSINESS, EXTENSIVE NETWORK OF PRODUCTION/DISTRIBUTION AND THE VALUES WE CREATED FOR ALL STAKEHOLDERS, PRINCIPALLY FOR OUR VALUED SHAREHOLDERS.

Akçansa has completed another year at the end of which we can be proud of our scale of business, extensive network of production/distribution and the values we created for all stakeholders, principally for our valued shareholders.

A key step for fulfilling our vision of sustainable growth beyond borders was the completion of the investment for Production Line II at our Çanakkale Plant. Work for this line had been initiated in 2006, and the line was in operation by March 2008. This massive investment used cutting-edge, environment-friendly technologies, and was completed within the bounds of the previously set timing and budget. As a result, the annual clinker output of the Çanakkale Plant surged by 100%, elevating the total annual clinker production capacity of Akçansa to 6.5 million tons and cement production capacity to over 9 million tons.

In 2008, our cement and clinker sales domestically and abroad moved up by 22% over 2007 topping 6.5 million tons. The growth of demand in the domestic market had reduced Akçansa's exports in recent years but as the new kiln became operational, exports soared some 3.5 times in 2008 reaching 1.2 million tons. Hence, Akçansa did 12% of Turkey's overseas cement exports of 10 million tons in 2008. Our sales in the field of ready-mixed concrete rose by 16% to 3.7 million m^3.

In step with our objective of growth in the fields of ready-mixed concrete and aggregate, and especially owing to our efforts to take a strategic position in the Black Sea Region, we added new ready-mixed concrete and aggregate facilities to our sales network.

As the growth in our sales, production and transportation points necessitated efficient and productive management, we centered on logistics activities.

We are also expanding our activities in "alternative fuels and raw materials use", elemental for the conservation of the environment and natural resources.

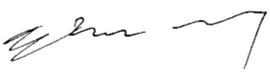
We have manifested our resolve for creating social benefits through various projects for the good of the public in sports, education and culture as well as our support in the regions where we operate.

Dear Shareholders,

In spite of the global financial crisis and the change in competitive conditions, we will carry on with our positive perspective creating value for Turkey and our social stakeholders. By our management's and all our employees' will to succeed and counting on the trust bestowed upon us by our valuable shareholders, we will uphold our mission to be the leading construction materials company that raises our country's quality of life.

On behalf of our Executive Board, we thank all shareholders who took part in our meeting and present to you our 2008 Annual Report in accordance with the definitions of the Capital Markets Law, our annual statements and dividend proposal.

Best Regards,
Ziya Engin Tunçay
Chairman



Board of Directors

(1) Ziya Engin Tunçay Chairman (Length of term: March 27, 2006-March 27, 2009) (Appointed as Chairman on April 1, 2008)
Born in 1952 in Istanbul, Ziya Engin Tunçay graduated from the Ankara Academy of Economic and Commercial Sciences. He moved over to the Sabancı Group in 1994 and after serving at several managing positions he has been the Head of the Cement Group of Sabancı Holding.

(2) Daniel Gauthier Vice Chairman (Length of term: March 27, 2006-March 27, 2009)
Born in 1957 in Belgium, Daniel Gauthier completed his degree at the Mining Engineering Department of the Mons Polytechnic University. In 1982, he started work at CBR, a subsidiary of HeidelbergCement. Gauthier has been a Board Member of HeidelbergCement since 2000. He is responsible for the areas of Africa, Mediterranean, North Europe and Western Europe regions, Sustainable Environment and Group Services.

(3) Ali Emir Adıgüzel Member (Length of term: March 27, 2006-March 27, 2009)
Born in 1960 in Izmir, Emir Adıgüzel graduated from the Harvard and Bosphorus University's Business Schools. His career started with a three-year stint in Saudi Arabia. He started work as the General Manager of HeidelbergCement Trading in 1996, and has been working as the Head of the International Trade of Mediterranean (including Turkey), the Middle East Region since 2004.

(4) Ahmet Cemal Dördüncü Member (Length of term: March 27, 2006-March 27, 2009)
Born in 1953 in Istanbul, Ahmet Cemal Dördüncü graduated from Çukurova University's Business Administration School and completed his degree at the Mannheim University. Dördüncü joined Sabancı Group in 1987, and has worked in several managing positions, and between 1999-2004 he has worked as Chairman and General Manager of different companies of Sabancı Holding Group abroad. In 2004 he became the Group President of Sabancı Business Development and Strategic Planning, and since May 12, 2005 has been working as the CEO of Sabancı Holding and Board Member.

(5) Mehmet Göçmen Member (Appointed on September 12, 2008)
Born in 1957, Mehmet Göçmen was educated at the Galatasaray High School and graduated from the Industrial Engineering department at the Middle East Technical University. He subsequently completed a graduate degree in Industrial Engineering and Operations Research at the Syracuse University in the USA. He started his career in 1983 at Çelik Halat ve Tel San. A.Ş. and served as the General Manager of Lafarge Ekmel Beton A.Ş. Concrete and as the Vice President of Lafarge Turkey in charge of Business Development, Strategy and Marketing between 1996 and 2002. After serving as General Manager at Akçansa since June 2003, Göçmen has quitted and was appointed as a Board Member on September 12, 2008.

(6) Ernest Gerard Jelito Member (Length of term: March 27, 2006-March 27, 2009)
Born in 1958, Ernest Gerard Jelito graduated from the department of Chemistry and Cement production technologies at the Mining and Metallurgy University in Krakow. After working as Technical Director and Board Member for Cement Plant Strzelce Opolskie S.A. between 1991-1999, he started work at Górazdze Cement S.A. in 1999 as a Technical Director. After working at several positions at Górazdze Cement S.A. between 2001 and 2005, Jelito has been working with the Heidelberg Technology Center as a Production and Engineering Director covering North Europe and West Europe, Africa, and the Mediterranean countries since 2005.

Executive Management

Hayrullah Hakan Gürdal
General Manager

(Appointed in place of Mehmet Göçmen on August 1, 2008)

Born in 1968, Hakan Gürdal studied Mechanical Engineering at undergraduate level and went on to receive graduate degrees in Management and Economics. He joined Çanakkale Cement in 1992. He was appointed as Akçansa's Strategy and Business Development Manager in 1996 and Assistant General Manager in Charge of Trade in 1997. After serving as an Assistant General Manager in Charge of Ready-Mixed Concrete and Purchasing, he was appointed as the General Manager on August 1, 2008.

Şeyda Pirinççioğlu
Assistant General Manager - Finance

(Appointed in place of Christian Leclercq on March 1, 2008)

Born in Istanbul in 1971, Şeyda Pirinççioğlu completed a graduate degree in Economics and Finance at Pennsylvania Clarian University. Having completed her education in London Business School in 2007, Pirinççioğlu commenced her career in America, Turkey and England in investment banks. She joined the HeidelbergCement Trading company in 1999, and served as Finance Director between 2004 and March 1, 2008. Pirinççioğlu continues her role of Assistant Manager (Finance) at Akçansa.

Ali Özer Erman
Assistant General Manager - Human Resources

Born in 1956, Ali Özer Erman graduated with a B.A. degree from the department of Business Administration at the Middle East Technical University. Erman started his business life at Ermes Constructions in 1981 and after served as a Human Resources Director at Hilton Hotels in Istanbul and Mersin. He worked for Philip Morris as a Director of Management and Organization Deveolopment and Employment between 1991 and 1998. Erman has served as Assistant General Manager of Akçansa's Human Resources department since 2000 and quitted on March 31, 2009.

Cem May
Assistant General Manager - Cement Sales and Marketing

Born in 1963 in Ayvalık, Cem May graduated from the department of Mechanical Engineering department at Yıldız University. He joined the cement sector in 1991 at Çanakkale Cement and became the Akçansa Sales Manager of the Aegean Region in 1996. He became the Regional Sales Manager of the Northern Marmara region in 2003. He has been serving as the Assistant General Manager in Charge of Cement Sales and Marketing since July 2005.

Cenk Eren
Assistant General Manager - Ready-Mixed Concrete and Aggregate

(Served as Assistant General Manager – Purchasing and Logistics until August 1, 2008)

Born in 1969 in Istanbul, Cenk Eren graduated from the Mechanical Engineering department at Bosphorus University. He began to work at Akçimento in 1993. He was appointed as a Strategy Development Specialist at Akçansa in 1996 and as Manager of Cement Sales and Planning in 1998. He served as Manager of the Ready-Mixed Concrete department for the Western Marmara Region between 2002 and 2007. Eren has worked as Assistant General Manager of Purchasing and Logistics since September 2007. Since August 1, 2008, he has been working as Assistant General Manager in Charge of Purchasing and Logistics.

İlkfer Akman
Assistant General Manager - Operations

(Appointed in place of Ahmet Vasfi Pekin on June 1, 2008)

Born in Izmir in 1951, İlkfer Akman is a graduate of the department of Electrical Engineering at the Middle East Technical University. His first post was at Çitosan in 1975, and was followed by various posts at Petkim's Aliağa and the Saudi Arabian Quassim Cement Plants. Before the merger, he worked as the Technical Assistant General Manager at Çanakkale Cement. Following the establishment of Akçansa, he became Plant Manager for the Çanakkale and Büyükçekmece Plants. He then worked for one year as a Regional Coordinator at HeidelbergCement-HTC. In February 2006, he was appointed as the Plant Manager to the Akçansa's Büyükçekmece Plant for the second time.

Ali Rıza Karakaş
Çanakkale Plant Manager

(Appointed in place of Hasan İmer on July 1, 2008)

Born in 1956 in Sivas, Ali Rıza Karakaş completed his primary, secondary and high school education in Istanbul, and graduated from the Chemistry Faculty at ITU (Istanbul Technical University). Karakaş completed his Masters in Chemical Engineering in 1981, and commenced his career the same year as an engineer at Titiz Textile company. In 1984 he joined Çanakkale Cement. He worked in various positions prior to his appointment as Clinker Production Manager in 1993. He undertook the Assistant Çanakkale Plant Manager role in addition to his role of Production Manager in 2005. Karakaş has been the Çanakkale Plant Manager since June 1, 2008.

Mehmet Öztürk
Ladik Plant Manager

Born in Kayseri in 1960, Öztürk graduated from the Electrical-Electronics Engineering department at the Middle East Technical University. His first post was at Elimko in 1984, followed by various posts at electrical equipment and system producers such as Seneka, Burç Elektrik. Prior to the merger, Öztürk worked as the Energy Manager in Çanakkale Cement, following by the merger he served as Energy Manager in Çanakkale and Büyükçekmece Plants, Büyükçekmece Maintenance Manager and Project and Automation Manager.

A. Yavuz Ünal
Internal Auditing Manager

Born in 1950, A. Yavuz Ünal graduated from the Istanbul Economic and Commercial Sciences Academy in 1972. Joining Akçansa in 1977 he served as Finance Supervisor, Assistant Finance Manager and Finance Manager until 1993, when the same year, he was appointed as the Manager of Financial and Administrative Affairs to Betonsa, a subsidiary of Akçimento. He has been the Internal Audit Manager since 2001.

Nevra Özhatay
Strategy, Business Development and Logistics Director

Born in 1970, Nevra Özhatay studied Business Administration at the Bosphorus University, before completing an MBA at the University of Exeter in the UK. She worked as a Finance Specialist and Talent Pool candidate at Sabancı Holding in 1994. She became Management Support Manager at Akçansa in 1996, Strategy and Business Development Specialist in 1998, and a Planning and Control Manager in 2000. She has served as the Strategy, Business Development and Logistics Director since 2004 and resigned on January 1, 2009.

Mehmet Noyan Buzcu
Purchasing and Logistics Director

Born in 1965, Mehmet Noyan Buzcu graduated in 1988 from the department of Industrial Engineering at Istanbul Technical University (ITU), and completed a Masters in Operational Management in 1990 at America New Hampshire College. Taking his first post as Planning Engineer at Akçimento in 1990, Buzcu worked as Strategy and Planning Specialist at Akçansa between 1996 and 1997, Strategy and Development Manager between 1997 and 1999, and Human Resources Manager as of June 1999. Buzcu was appointed Purchasing and Logistics Director in January 2009.


ÇİMENTO
Sağlam Temeller Kurar
PORTLAND
PUZOLANLI
ÇİMENTO
TS EN 197-1
CEM II/B-P 32,5 R
NET 50 KG. (±%2)
LADİK FABRİKASI
www.akcansa.com.tr

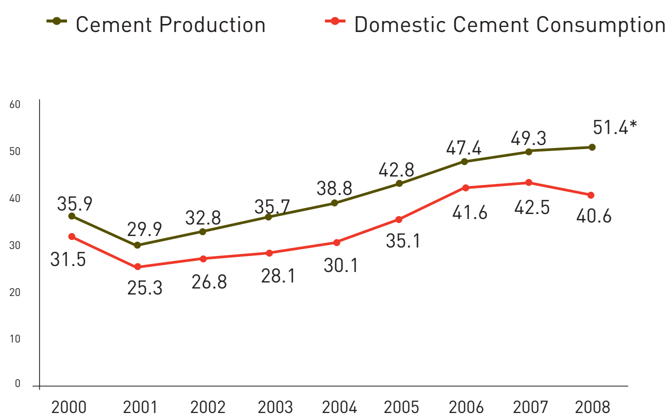
WE DELIVER OUR INNOVATIVE PRODUCTS AND SERVICES VIA A WIDESPREAD NETWORK.

Cement Operations

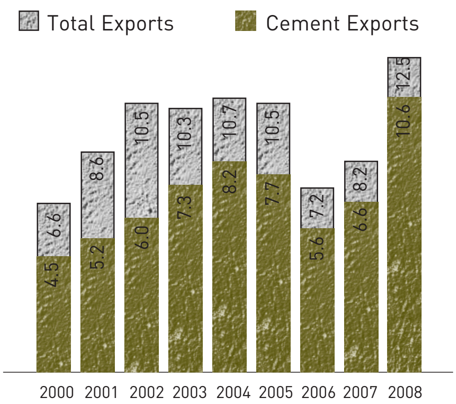
Based on the Turkish Cement Producers' Association figures, cement consumption contracted to 40.6 million tons in 2008, a decline of 4.4% with respect to 2007.

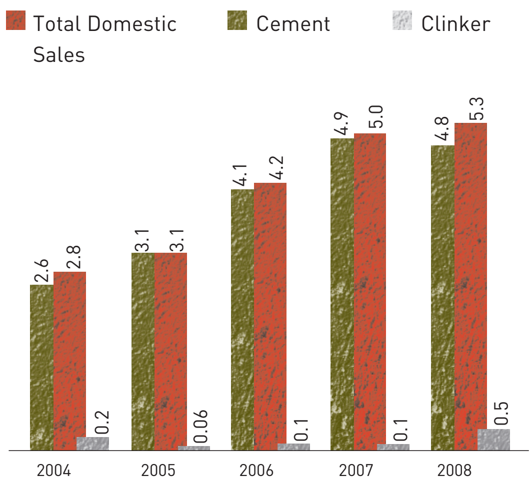
Turkish cement exports expanded by 60% during 2008, while clinker expanded by 33%. Further capacity, obtained in 2008, and Russian and North African markets have played a significant part in the expansion.

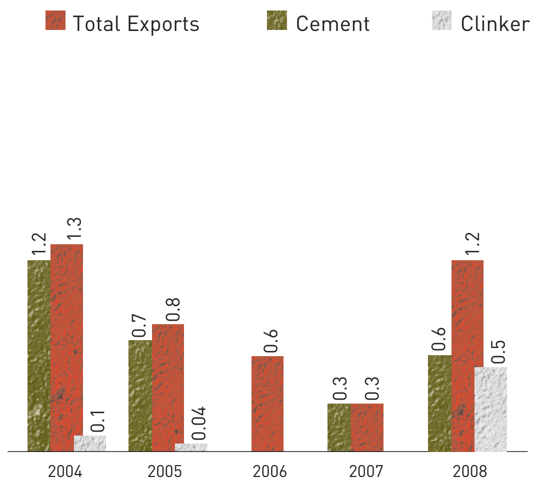
Akçansa's total domestic and international cement and clinker sales grew by 22% compared to the previous year, and reached 6.5 million tons.



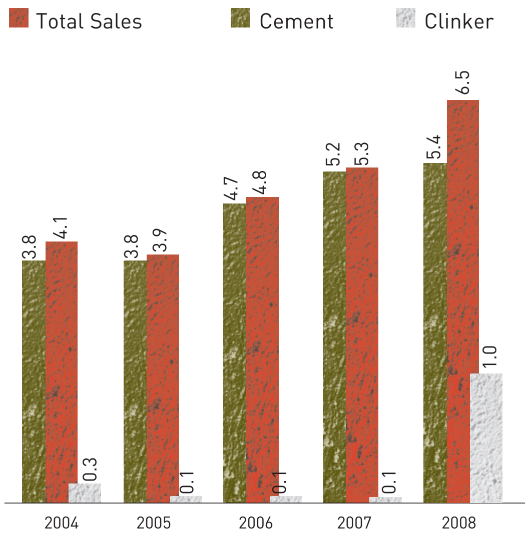
* TÇMB üyesi üreticilerin bilgilerini içermektedir.
source: Turkish Cement Association







IN ALL PLANTS, PRODUCTION ACTIVITIES TOOK PLACE UNDER THE GUIDANCE OF WORK HEALTH AND SECURITY SYSTEM OHSAS 18001, QUALITY OF MANAGEMENT SYSTEM BS EN ISO 9001:2000, ENVIRONMENT MANAGEMENT SYSTEM BS EN ISO 14001 AND PERIODIC CONTROLS CONDUCTED BY THE BRITISH STANDARDS INSTITUTE (BSI). THE PLANTS SUCCEEDED IN MEETING THE REQUIREMENTS OF THESE STANDARDS, BACKING THE VALIDITY OF THOSE CERTIFICATES.



* A total of 1.030.869 tons of cement was directed to ready-mixed concrete.

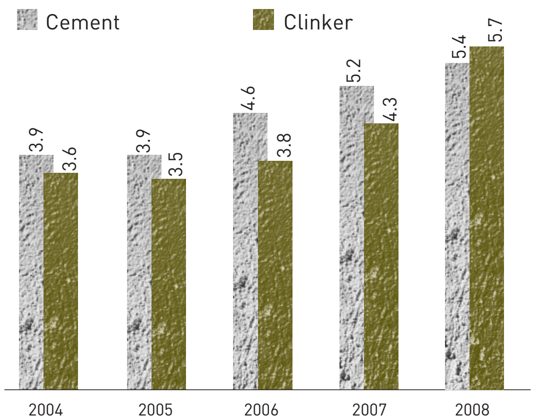
Production

The Çanakkale Plant reached over 3 million tons of clinker production within a year for the first time owing to the opening of the Second Production Line. Annual clinker production surpassed 600,000 tons for the first time ever at the Ladik Plant. Meanwhile the Büyükçekmece Plant recorded its highest ever production of 2 million tons.

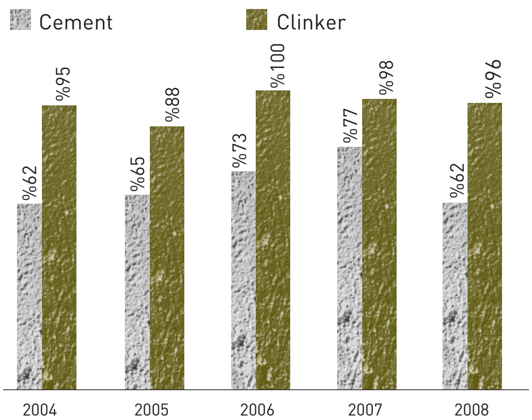
In all plants, production activities took place under the guidance of Work Health and Security System OHSAS 18001, Quality of Management System BS EN ISO 9001:2000, Environment Management System BS EN ISO 14001 and periodic controls conducted by the British Standards Institute (BSI). The plants succeeded in meeting the requirements of these standards, backing the validity of those certificates.

Environment, Work Health and Security Management Systems trainings were undertaken successfully. Work to improve field conditions, develop methods to prevent risk, and employee health check-ups continued.

Production



Capacity Usage Ratio



Cement Operations continued

PRODUCT TYPES

DOMESTIC MARKET

TYPE	NAME	STANDARD
CEM I 52.5 N	Portland Cement	TS EN 197-1
CEM I 42.5 R	Portland Cement	TS EN 197-1
CEM II/B-P 32.5R	Portland Pousol and Cement	TS EN 197-1
CEM II/A-M 42.5 R (P-L)	Portland Composite Cement	TS EN 197-1
CEM V/A 32.5 N (P-S)	Composite Cement	TS EN 197-1
SDÇ 32.5	Sulfate Resistant Cement	TS 10157

EXPORTS

TYPE	NAME	STANDARD
CEM I 52.5N CE PM "NF"	Portland Cement	Meets European Standard NF EN 197-1
CEM I 52.5N	Portland Cement	Meets European Standard EN 197-1
CEM I 42.5 R	Portland Cement	Meets European Standard EN 197-1
Type I/L.A	Portland Cement/Low Alkali	Meets US Standard ASTM C 150
Type II/L.A	Portland Cement/Low Alkali	Meets US Standard ASTM C 150
Type I-II/L.A	Portland Cement/Low Alkali	Meets US Standard ASTM C 150
Type I-II/L.A	Portland Cement/Low Alkali	Meets US Standard AASHTO M 85
Clinker	Portland Cement	Meets European Standard EN 197-1 Clinker

Product Certificates

Product Certificate TSI	New York State Department (NYSDOT) AASHTO M 85 Type I-II/LA Product Certificate
Product Certificate TSI	AFNOR France CEM I 52.5N CE PM "NF" Product Certificate
Product Certificate TSI	CEM I 52.5 N Product Certificate by TSI Product Certificate
Product Certificate TSI	CEM I 42.5 R Product Certificate by TSI Product Certificate
Product Certificate TSI	CEM II-A-M (P-L) 42.5 R Product Certificate
Product Certificate TSI	CEM V-A (P-S) 32.5 N Product Certificate
Product Certificate TSI	TS 10157 SDÇ 32.5 Product Certificate
Kitemark Product Certificate	British Standards Institute (BSI) 52.5 N Product Certificate
Kitemark Product Certificate	British Standards Institute (BSI) 42.5 R Product Certificate
CE Product Certificate	British Standards Institute (BSI) 52.5 N CE Certificate of Conformity
CE Product Certificate	British Standards Institute (BSI) 42.5 R CE Certificate of Conformity
CE Product Certificate	CEM V/A (P-S) 32.5 N CE Certificate of Conformity from Quality and Environmental Committee
CE Product Certificate	CEM II/A-M (P-L) 42.5 R CE Certificate of Conformity from Quality and Environmental Committee

ASTM Laboratory standards compliance: compliance with ASTM for tests carried out in all our laboratories is checked through participation in the Proficiency Sample Program of the American Cement & Concrete Reference Laboratory. In addition, Akçansa facilitated a comparison analysis program carried out by Heidelberg Cement and the Turkish Cement Producers' Association.

Turkish Standarts Institute (TSI)

THE II. PRODUCTION LINE INVESTMENT AT THE ÇANAKKALE PLANT, STARTED ON JULY 2006, SUCCESSFULLY WENT INTO OPERATION IN MARCH.

Investments

Modernization, environment and cost optimization investments continued in 2008.

The II. Production Line investment at the Çanakkale Plant, started on July 2006, successfully went into operation in March. Investments of Euro 112 million ensured a 100% jump in the Çanakkale Plant's production capacity, as well as raising total clinker production at Akçansa by 6.5 million tons within nine months.

At the Board of Directors Meeting which took place on March 11, 2008 it was decided to generate electricity through Wind Energy and Recycling Heat, as part of the Renewable Energy Investments Projects. The projects are expected to be completed within the next three years with an estimated expenditure of USD 40 million.

Most of the cement transport automation system has been completed and begun operating. The positive effects of this investment towards efficiency in time and the workforce will begin to become evident by 2009.

The system, which will enable recycling of industrial waste to alternative fuel in kilns, was initiated through environmental awareness and responsibility in Akçansa's Büyükçekmece Plant by the beginning of 2008. Throughout Turkey, this project was first applied in Akçansa's Büyükçekmece Plant. In this system plastic waste, available in many industrial sectors, and with a high caloric value, is burned in the I. and II. Rotary Kilns. The cost variable of thermal energy is significantly improved by this system.

The investments, in context of environmental investments, of a Closed Coal Stockholl with a 50,000-ton capacity in the Çanakkale Plant clinker production facility and a Closed Admixture Stockhall with a 50,000-ton capacity in Cement Grinding Facility, were completed. The implemented projects, with an outlay of Euro 3.8 million have contributed to a cleaner environment and reduced material loss due to weather conditions.

The Pneumatic Feeding System of the III. Rotary Kiln Farin Grinding System in the Büyükçekmece Plant has been converted to a Mechanical Grinding System. The electrical energy used in farin transportation decreased from an average of 3.65 kWh to 1.39 kWh per one ton of clinker, owing to investments made in June 2008. Noise pollution was considerably reduced with the disabling of the pneumatic line compressors.

Investments in a security camera system for the plant in Büyükçekmece were completed in August 2008. Within the scope of the investments, IP type cameras were strategically placed along a substructure of fiber optic cables. The 56 positioned cameras can record 15 days of footage.

WE ARE PERPETUATING PARTNERSHIP WITH OUR CLIENTS FOR SOLUTIONS THROUGH OUR COMPETITIVE STRENGTH, OUR FINANCIAL PERFORMANCE AND OUR TECHNOLOGICAL INNOVATIVE ABILITY.

Ready-Mixed Concrete and Aggregate Operations

Due to the effect of shrinkage in the building trade, it is estimated that ready-mixed concrete production in Turkey will decline by about 5%, corresponding to 70 million m^3.

In Turkey the sector in aggregate, widely dispersed with many production units, can be seen to be concentrated in areas where raw materials are provided easily, and 300 million tons aggregate is produced by 600 active crushing, screening and washing facilities.

Betonsa, which continues to carry out Akçansa's ready-mixed concrete operations in the Aegean, Marmara and Black Sea Regions, realized sales of 3.74 million m^3 through 31 facilities, achieving growth of 16%. Aggregate sales in three different facilities of the Agregasa brand increased by 18%, reaching 1.9 million tons this year.

In parallel with customer awareness, 85% of sales on the basis of resistance were realized at class C25 and above. Special product sales are up by 30% compared to the previous year with the help of intensive branding and promotion activity.

	2004	2005	2006	2007	2008
Number of Betonsa Facilities	24	23	24	26	31
Sales Amount of Betonsa (million m^3)	2.0	2.4	2.9	3.2	3.74
Sales Amount of Agregasa (tons)	1.1	1.1	1.2	1.6	1.9

Production and Products

In Ready-Mixed Concrete Facilities, regular and high strength concretes compliant with the TS EN 206-1 Standard are produced in various densities and aggregate unit sizes, from C8 to C100. In addition to these products special customer requests are matched in various densities and aggregate unit size classes. GB 150, GB 200, GB 250 types and special screed concrete are produced as well as steel and fiber-reinforced concrete.

TSE Certificates have been awarded for the facilities' products, while all experiments and checks as indicated in standards related to raw materials and products can be performed in laboratories compatible with TSE Standards. The facilities boast the Quality Assurance System Certificate given by the Turkish Ready-Mixed Concrete Producers' Association (THBB) and they are audited regularly by the TSE and THBB.

Ready-Mixed Concrete Special Product Portfolio

- C8-C100 Regular and High Strength Concrete
- Light Concrete (IZOBETON)
- Steel Fiber Concrete (DRABETON)
- Polypropylene Fiber Concrete (FIBERBETON)
- Self-Compacting Concrete (VISKOBETON)
- Light Ready Screed (IZOSAP)
- Imprinted Concrete (DEKOBETON)
- Exposed Aggregate Decorative Concrete (PAKBETON)

BETONSA, WHICH CONTINUES TO CARRY OUT AKÇANSA'S READY-MIXED CONCRETE OPERATIONS IN THE AEGEAN, BLACK SEA AND MARMARA REGIONS, REALIZED SALES OF 3.74 MILLION M^3 THROUGH 31 FACILITIES, ACHIEVING GROWTH OF 16%.

- Ready Wet Plaster and Mortar
- Colored Concretes
- Filler Concretes
- High Performance Concretes
- Concrete Types Conforming to Environmental Impact Classes

With regard to Integrated Management Systems, the inspection by the TÜV Rheinland Company of the ISO 9001-2000 Quality Management System, OHSAS 18001 Occupational Health and Safety Management System and ISO 14001 Environment Management System certification resulted in success, leading to the extension of the certification and the inclusion of the Black Sea Region in the system.

With the aim of internalizing Occupational Health and Safety culture, seminars titled "Preparation before Driving and Safe Driving", and "Occupational Health and Safety", were organized at 31 Ready-Mixed Concrete facilities and three Agrega facilities, and were attended by 589 staff. Nearly 100 of our employees took First Aid training. Presenting a proactive approach, previously occurring accidents were shared with the whole organization under the name "Safety Warning", in order to prevent the same faults in our other facilities.

Betonsa Technology Center continues operations relating to training, customer services, product development, research and development, product optimization, technical tours for university students, supporting concrete research in universities, and national/international scientific journals.

Within the context of new product development and improvement of existing products, studies to determine the performance class of Drabeton (steel fiber concrete) were completed. Production of Viskobeton (self-compacting concrete) in the C 30/37 and C 35/45 classes was realized by conducting many experiments on Viskobeton. In addition, tunnel frameworks, consistency protection and high early strength products for high buildings were developed.

Investments

Five new ready-mixed concrete facilities came into operation in 2008. (Samsun-Çarşamba, Tokat, Çağlayan, Bolluca, Çerkezköy)

New purification systems were constructed in the Mahmutbey, Ayazağa, Kemerburgaz, Bolluca, Çağlayan, Tokat, Merzifon facilities and existing systems were improved. Capacity increased in three facilities and six facilities' automation systems were renewed. Mechanical, hydraulic, fixed and type 47 mobile pumps were brought into use.

Besides, one mobile crusher and one mobile screen investments were made in the aggregate facility in the Tekirdağ - Saray Region.

WE SUPPORT OUR EMPLOYEES' DESIRE FOR SUCCESS AND CREATIVE CONTRIBUTIONS BY PROVIDING CONTIONUOUS DEVELOPMENT POSSIBILITIES.


NORTH
ÖNCE
İŞ GÜVENLİĞİ !

Human Resources

In setting up the Human Resources strategy and primary objectives, the macroeconomic situation and all the conditions peculiar to the line of business, such as cement, ready-mixed concrete and aggregate sectors are taken into consideration, as well as the business objectives.

This year 174 people, 95 external and 79 internal, are included in the organization.

New structural improvements took place in order to enhance effectiveness and productivity in functional processes, and to raise the satisfaction of internal and external customers. In this context the "2010 Akçansa Project" was initiated in Purchase and Financial Functions, and one stage of the project, process of organizational structure, was completed. Since the construction stage of alternative fuel systems was completed, a new department has been established with the decision that supply processes be performed in the scope of Purchase and Logistics in future operational processes. New appointments have been made in order to further enhance the administrative and operational effectiveness of Business Function. The organizations of all our cement facilities have been restructured.

In March 2008, a Collective Labor Agreement for internal staff was agreed upon for the years 2008-2010, between the Turkey Çimse-İş Workers Union and the Cement Industry Employers Syndicate of which Akçansa is a member.

A "Management Meeting", in which the evaluations and business results of 2008 and expectations for 2009 are shared, improvement and development activities are presented was attended by the whole Akçansa Management Team, and "Communication Meetings", attended by 882 employees, were held in the Ladik, Çanakkale and Büyükçekmece Plants.

Awards were presented to successful teams in 2008 within the scope of the Reward System, which was run for the first time this year in order to reward team work and performance. **Most Successful Occupational Health and Safety Award,** BÇM; **Most Productive Production Line Award,** BÇM Clinker 2; **Most Productive Cement Mills Award,** BÇM Cement Mills Team; **Most Productive Maintenance Award,** Mechanics-ÇNK Mechanical Maintenance Team; **Most Productive Maintenance Award-Energy,** ÇNK Energy Maintenance Team; **Most Successful Sales Team Award-Cement,** Karçimsa Sales Team; **Most Successful Sales Team Award-HB,** Istanbul West 2nd Area Sales Team; and **HB facility of the year "EYS" Performance Award** was presented to West Marmara Region-Samandıra Team.

Work Families and Salary System Trainings were attended by 209 external employees in Ladik, Çanakkale, Central Office and Büyükçekmece locations. At these meetings the wage relationships between Salary Scales, Work Families and levels are established in a fair and balanced way, and a further step is taken in sharing the transparency of the system with employees.

The Technical/Occupational Training Project, consisting of the Technical/Occupational Training System and Data Bank substructure, and which will train highly qualified employees through ongoing basic and advanced trainings, has been completed. The project will be initiated in 2009, and assessment and evaluation of exams applied at the end of the trainings will be a criterion in promotions. In 2008, 20 man-hours of training per person were achieved.

The Suggestion System, aiming to increase motivation, productivity and quality, and to continually improve/develop work processes attained 1,261 suggestions.

Social Responsibility

AKÇANSA APPLIES HIGH STANDARDS IN ITS BUSINESS STRUCTURE AND BUSINESS PROCESSES, FROM THE USE OF ALTERNATIVE FUEL AND RAW MATERIALS TO ITS SENSITIVITY TO PROTECTING THE ENVIRONMENT, AND FROM OCCUPATIONAL SAFETY TO WORK ETHICS.

Contribution to Society

As the largest player in the Turkish cement sector, Akçansa's leadership brings with it a responsibility to improve the sector and to enhance its prestige.

Among the areas in which Akçansa demonstrates its commitment to the creation of social benefit, are support for the regions where it operates, contribution via factories and facilities to development, and development of and engagement in projects in sports, training and cultural works for the greater public benefit.

Akçansa is continuously reinforcing its leadership in the sector through its competitive strength, financial performance, technological innovation (from specific products to alternative fuel and raw material usage), respect for the environment, social responsibility studies, and progressive applications in human resources.

While Akçansa creates value for the economy through industrial investments supporting the use of Turkey's natural resources, employment, production and exports, it also creates social responsibility value in cultural, training, sports, and environmental areas, using the resources gained from trade and industrial activities. Akçansa also attends to historical, cultural and natural values by putting its signature to many projects with local authorities, private corporations, and non-governmental organizations, as part of the Company's commitment to social responsibility.

Contribution to the Environment

Akçansa applies high standards in its business structure and business processes, from the use of alternative fuel and raw materials to its sensitivity to protecting the environment, and from occupational safety to work ethics.

Along with all filters in the plants, all legal requirements concerning gas and dust emissions in the main chimneys are measured and controlled annually by the accredited institutions. Moreover, due to waste burning in kilns, recordings made on a quarterly basis are submitted to the Ministry of Environment and Forestry.

Akçansa's cement plants in Büyükçekmece and Çanakkale, which convert a variety of wastes into materials of value for the environment and the economy, were the first to obtain the R134 - 001 and R1 17-001 licenses from the Ministry of Environment and Forestry for the use of alternative fuels. Burning these wastes in cement plants enables the preservation of natural resources and the reduction of carbon dioxide emissions, thus also providing a solution for the intractable problem of waste disposal. All investments are made in line with the Company's environmental awareness, and precautions are taken in the plants to comply with environmental requirements.

Operations in the ready-mixed concrete facility continue to be compatible with consideration for the environment. Recycling units have been established in each facility in order to recycle process waste dumped from the facilities. Waste outputs are classified and disposed of in accordance with health consideration and legal procedures. As a result of sensitivity in this area the "Green Point International Environment Representative Award", organized by ERMCO in Seville, was presented to the Edremit Ready-Mixed Concrete Facility, representing Turkey. As a consequent result of inspection to monitor sensitivity to the environment, admixture stockhall, stockhall covers, steps to curb emissions, and similar environmental measures were carried out in all facilities starting with the Ömerli, Bursa, Edremit, Ayazağa and Merzifon plants, in order to eliminate environmental risks.

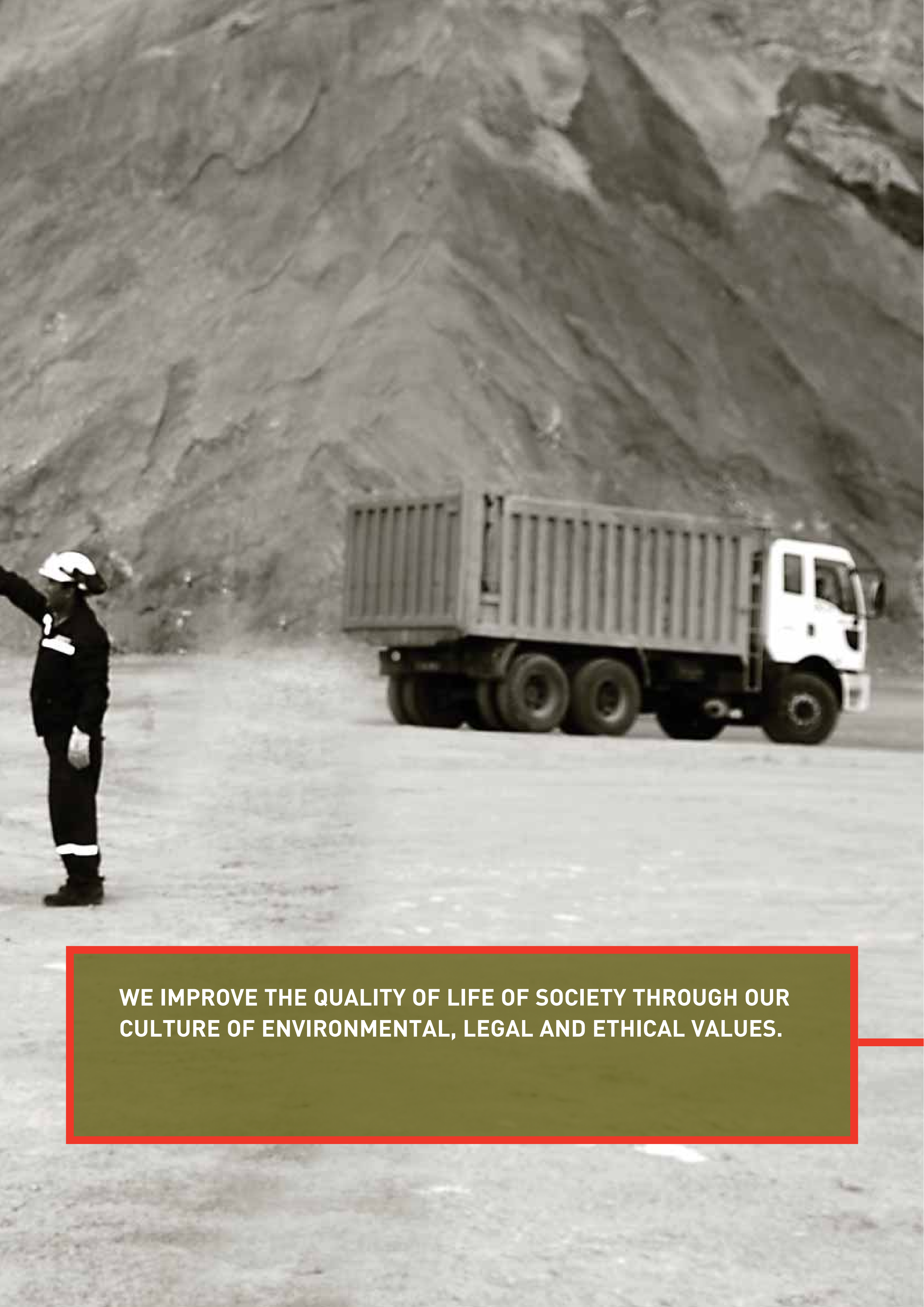
Contribution to Education

Project development is ongoing in Akçansa-Fatih Sultan Mehmet Primary School, on the way to making it a social and cultural center.

Betonsa offers training at regular intervals to customers, construction companies, manufacturers of concrete components, civil engineers, auditing firms, engineers and technical staff of local and central authorities, and university students. Concrete technology, the durability of concrete and the importance of curing and maintenance are explained in seminars. Additionally, up-to-date information is shared on matters such as concrete pouring techniques in hot and cold weather. Well-attended "Concrete Symposia" were conducted in Tokat, Manisa, and Istanbul in 2008.

Training organizations and technical trips to cement plants and ready-mixed concrete facilities were organized for university students (218 in total) from Istanbul Technical University, Bosphorus University, Istanbul Kültür University, Celal Bayar University and Namık Kemal University in 2008.

In 2008, 820 experiments were conducted for R&D studies, formula optimization studies and special product studies in Betonsa's Central Technology Laboratory.



WE IMPROVE THE QUALITY OF LIFE OF SOCIETY THROUGH OUR CULTURE OF ENVIRONMENTAL, LEGAL AND ETHICAL VALUES.

Report on Compliance With Corporate Governance Guidelines continued

1. STATEMENT OF CONFORMITY WITH THE PRINCIPLES OF CORPORATE GOVERNANCE
Akçansa Çimento Sanayi and Ticaret A.Ş. (hereinafter referred to as the 'Company') has complied with the Principles of Corporate Governance issued by the Capital Markets Board (CMB), and has implemented these to a great extent in the period from January 1 to December 31, 2008.

SECTION I - SHAREHOLDERS

2. Shareholder Relations Department
In the Company, The Shareholder Relations Department is available to maintain contact with and serve the Company's shareholders. The Department, under the direction of Christian Leclercq, Assistant General Manager - Finance (90 216-5713020, christian.leclercq@akçansa.com.tr) (note that Christian Leclercq resigned from this duty on March 1, 2008, the department was subsequently managed by Şeyda Pirinççioglu, the Assistant General Manager of Finance; 0216-571 30 20, seyda.pirinccioglu@akçansa.com.tr): Hüsnü Dabak, Financial Affairs Manager (+90 216 5713025, husnu.dabak@akçansa.com.tr) Ayşen Özgürel, Accounting Specialist – Shareholder Relations (+90 216 5713030, aysen.ozgurel@akçansa.com.tr) Banu Üçer, Communication Specialist (+90 216 5713013, banu.ucer@akçansa.com.tr), and Onur Kerem Günel, Legal Advisor (+90 216 5713024, onur.gunel@akçansa.com.tr). Related parties also can be reached via fax (90 216 570 30 31). The Department has undertaken capital increases, dividend payments, updates for the replacement of shareholders' share certificates and disclosures of material events within the scope of the public disclosure mandate. Shareholders receive accurate, complete and comprehensible replies to inquiries concerning the dates of capital increases, dividend rates and the initial date of payment and participation in the shareholders' meetings. These replies convey all information, apart from information which has been classified as confidential. The Company takes all precautions to maintain shareholder satisfaction. In 2008, transactions for 27 share certificate exchanges, preferential rights transactions for 343 shareholders and dividend payments to 1,636 shareholders were completed. The Company discloses its activities to the public on a quarterly basis. The Company website (www.akçansa.com.tr) was updated to provide more detailed and updated information on the Company's activities. Regular meetings with investors were organized throughout the year upon request. These included four investor conferences when one-to-one discussion sessions were held with 63 investors, and four analyst meetings. The Company's objective is to fulfill the Company's public disclosure and transparency obligations and it employs experts competent to inform investors on the Company's financial particulars. In compliance with the Turkish Commercial Code and the Company's Articles of Association, maximum effort is expended to enable the Company's shareholders to participate in the General Shareholders Meetings.

3. The Use of Shareholders' Right to Information
Upon request, shareholders receive verbal or written information, according to their preference. Announcements relating to Shareholders' rights are disclosed through the Istanbul Stock Exchange (ISE), in the Commercial Registry Gazette, in the national daily newspaper with the highest circulation and published in the city where the Company is based, and on the Company website (www.akçansa.com.tr), in accordance with Capital Markets Law and related regulations. CMB communiqués stipulate that an independent auditor should audit the Company. The Company's Articles of Association do not provision the appointment of any special auditor and there were no requests pertaining to the appointment of a special auditor during 2008. The Committee of Auditors presents independent auditor reports for approval to the Board of Directors. Once approved, the reports are disclosed to the public through the ISE. After auditing, the report subject to annual audit is announced in the Commercial Registry Gazette and on the Company website (www.akçansa.com.tr), after being approved by the General Assembly of Shareholders. The Board of Auditors, elected by the Company's Board of Directors in accordance with the Capital Markets Law and related regulations, performs its duties in compliance with the procedures. Utmost care is taken to ensure that in addition to the fundamental partnership rights set out by the Turkish Commercial Code and the Capital Markets Law, the rights stipulated by the principles of corporate governance, as presented below, are exercised. During the period, shareholders requested information on the Company's capital increases, dividend payments in the previous terms, and the Company's operating results. This information was communicated to the shareholders verbally or in writing, in accordance with their preference. Shareholders may view Company information instantly at www.akçansa.com.tr, while public disclosures of material events are announced through the ISE and in newspapers. The Shareholder Relations Department answered approximately 400 written requests from shareholders during 2008, through around 200 phone calls and e-mail messages, and through conversations in person. All required information concerning shareholders was announced on the www.akçansa.com.tr website within the mandatory notification periods.

4. Procedures of the Shareholders' General Meetings
The Company holds its Shareholders' General Meetings in compliance with the Turkish Commercial Code, Capital Markets legislation and the Company's Articles of Association. The invitation to attend the Shareholders' General Meetings is published two weeks in advance in the Commercial Registry Gazette, in a national daily newspaper and on the Company website. The shares of the Company are traded as bearer stocks. In ratification for the agenda, the quorum provisions set by the Turkish Trade Law are taken into account. Major issues such as amendments to the Articles of Association, mergers, Company divestments, the selection of Board of Directors' and auditors, the distribution of dividends, discharge of the Board of Directors' and Board of Auditors' financial responsibilities, and the annual report are presented for approval or ratification to the Shareholders' General Meetings. Data, such as the minutes of the General Shareholders Meeting and the list of participating shareholders in the Assembly are available on the Company's website. The annual report, financial statements, dividend proposals, meeting agendas, power of attorney, and supporting documents prepared for the Shareholders General Meeting are published at least two weeks prior to the General Meetings at the Company Head office, in whichever national daily newspaper has the highest circulation, and on the Company website. The Company is required to be informed of requests to attend the Shareholders' General Meetings at least one week ahead of the date of the meeting, in compliance with the Industry and Trade Ministry' regulations concerning General Shareholders' Meetings and the Attendance of the Ministry's Commissioners to the Assembly. The Annual General Meeting was held on March 31, 2008 at the Hacı Ömer Sabancı Conference Hall at the Sabancı Center, 4th Levent, Istanbul with the participation of shareholders holding a combined total of 153,788,718.99 shares (80.33% of the total). The invitation to attend the assembly was announced in the daily Milliyet newspaper on March 11, 2008 and in the Commercial Registry Gazette dated March 12, 2008 (issue No. 7018). The Company made an amendment to the 3rd article in the Articles of Association with the participation of a partner who holds YTL 154,950,815.69 nominal share of 80.94% quorum in the Extraordinary General Meeting held on September 26, 2008 in Kozyatağı District, Kaya Sultan Street, Hüseyin Bağadatlıoğlu Trade Center – Kadıköy/İstanbul. The invitation to attend the assembly was announced in the daily Milliyet newspaper on September 5, 2008 and in the Commercial Registry Gazette dated September 5, 2008 (issue No. 7143). All shareholders wishing to address the meeting or ask direct questions were given the opportunity, and all inquiries were answered free of time constraints. The minutes of the Annual General Meeting are accessible to all shareholders on the Company's web site (www.akçansa.com.tr). Important decisions taken under the Turkish Commercial Code are presented for shareholders' approval at the Shareholders' General Meetings. When legislative harmonization of the Corporate Governance Principles is completed, all decisions designated as being of importance under the amended laws will have to be presented for shareholder approval at the Shareholders' General Meeting.

5. Voting Rights and Minority Rights
There are no privileged or accumulated voting rights defined in the Articles of Association. The Articles of Association contain no provision acknowledging accumulated voting rights; with the existing holdings and the structure of the owning partnership, such an option would impair the harmonious management of the Company. The subject will be evaluated in the Annual General Meeting, once the adjustments are realized in order to avert the amusement of minority' cumulative voting right.

6. Dividend Distribution Policy and Dividend Payment Date
The Company's dividend distribution policy, which is publicly declared, is as follows:
In accordance with the prevailing CMB regulations, the dividend distribution policy of Akçansa Çimento Sanayi ve Ticaret A.Ş. is to distribute a minimum of 50% of its distributable net profit as a cash dividend to its shareholders. However, the general execution is to distribute the whole distributable net profit to shareholders. There are no privileged share certificates in dividend distribution. Mandatory dividends, either in cash and/or as bonus shares are determined in the Annual General Meeting. The Annual General Meeting may authorize the Company's Board of Directors to distribute advance dividends, but this is restricted to the prevailing financial period only. The dividend distribution policy is only applied when domestic and global economic conditions are considered appropriate, and if the Company's capital adequacy ratio meets the targeted levels. Akçansa's Board of Directors may review the dividend distribution policy annually, taking existing projects and available funds into account. This declaration was conveyed to shareholders in a separate section of the 2005 annual report, and was also presented to shareholders ahead of the General Shareholders Meeting. The annual report was also published on the Company website, www.akçansa.com.tr.

In compliance with the rules set forth in the Company's Articles of Association, the method of dividend distribution was detailed in article 33 of the Articles of Association. Dividends are distributed within the legal timeframe and no shareholders are entitled to dividend distribution privileges.

7. Transfer of Dividends
The Company's Articles of Association contain no provision restricting the transfer of shares.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy of the Company
The Company conforms to the CMB's public disclosure policy. In accordance with this, audited six month and full year financial statements, and unaudited quarterly financial statements are publicly announced at the end of each quarter. The announcements of the reports, prepared in accordance with the International Financial Reporting Standards (IFRS), were completed within the legal timeframe stipulated by the CMB. Dates for the press conferences to be held in 2008 will be announced ahead of the meetings. Public disclosures on the Company operations are conducted through press releases, electronic mail distribution, mobile phone messaging, interviews with media organizations and news agencies, announcements on the internet web site, advertisements and brochures throughout the year. The Company's General Manager, Mehmet Göçmen, is responsible for the execution of the public disclosure policy. (H. Hakan Gürdal takes responsibility following the resignation of Mehmet Göçmen from the position of General Director on August 1, 2008)

9. Public Disclosures of Material Events
The Company made 26 public disclosures of material events within the year in accordance with the CMB and the ISE communiqués. On one occasion, the Company was required to issue an additional disclosure. The Company presented these public disclosures of material events for the attention of shareholders through the ISE, and in accordance with the public clarification project. These disclosures were issued within the legal timeframe and were not subject to any sanctions from the CMB or the ISE.
The Company shares are not listed on any international stock exchange.

10. The Company Website and its Content
The Company, in line with the principles of corporate governance, maintains a website, www.akçansa.com.tr, for shareholders and investors. The Company website contains corporate data, details of the Company's products, services and management systems, financial indicators, annual reports, content concerning investor relations, financial statements, information on the Company's environmental and other socially responsible activities, and its human resources policies.

11. Disclosure of Ultimate Controlling Shareholder(s)
There is no ultimate controlling shareholder.

12. Public Announcement of Insiders
Those in a position to potentially access the Company's price-sensitive information are listed in the annual report under various sections - members of the Board of Directors, members of the Board committees and the executive management - and also listed below:

List of Insiders

NAME SURNAME	REASON OF EXISTING IN THE LIST
Ziya Engin TUNÇAY	Chairman
Daniel H. J. GAUTHIER	Vice Chairman
Mehmet GÖÇMEN	Member
Ali Emir ADIGÜZEL	Member
Ahmet Cemal DÖRDÜNCÜ	Member
Ernest Gerard JELITO	Member
Mevlüt AYDEMİR	Auditor
Fuat ÖKSÜZ	Auditor
Hayrullah Hakan GÜRDAL	General Manager
Şeyda PİRİNÇÇİOĞLU	General Manager (Finance)
Hüsnü DABAK	Financial Affairs Manager
Derya YILMAZ	Planning and Control Manager
Onur Kerem GÜNEL	Legal Advisor
Doğan ARAL	Management Information Systems Manager
Barış ERGEN	Financial Reporting Chief
Ayşen ÖZGÜREL	Accounting Specialist – Shareholder Relations
Güney Serbest Bağımsız Denetim ve SMMM A.Ş.	Independent Auditing Company

SECTION III - STAKEHOLDERS

13. Informing Stakeholders

STAKEHOLDERS

SHAREHOLDERS
Shareholders are informed regarding the developments of the company through announcements released to the general public in accordance with legislation. In conformity with communiqués issued by the Istanbul Stock Exchange and the provisions of the Turkish Commercial Code, matters such as Annual General Meetings, Extraordinary General Meetings, capital increases, dividend payments, etc. are announced in the Commercial Registry Gazette within the legal terms set. Disclosures and notices are posted in a newspaper with high circulation. Press conferences are held, press bulletins are released and online notices are sent. With the exclusion of trade secrets and information classified as confidential, all shareholders are simultaneously provided with accurate, complete, comprehensible and interpretable information.

CUSTOMERS
Concurrently with the care attributed to products, service and quality, the Company strives to constantly improve customer satisfaction. Customer satisfaction is gauged by regular surveys. From time to time, training programs and seminars are planned for customers. Research and development activities are also carried out from time to time.

EMPLOYEES
Any act of the Company which relates to employees is carried out in agreement with the laws regulating occupational life.
Policies of recruitment, promotion, training, performance improvement and other employment practices are stipulated in a written form. The performance of employees is evaluated through face-to-face meetings, taking into account targets and performance criteria set at the start of every year. Our Company uses an international "job evaluation system", based on current job descriptions. Performance evaluation is carried out systematically by employing this system. The results serve as a basis of various human resources practices and decisions. The training and self-development needs of the employees are scrutinized every year. Annual training plans are drawn up to meet requirements. There is a portal where employees can access all kinds of information and documents (e.g. Company targets, policies, job descriptions, practices, etc.) which may be of concern to them. The Company openly communicates with shareholders, employees and other parties on occupational health and safety. The OHSAS 18001 Occupation Health and Safety System is applied. Operations to establish the United Management System by integrating Quality, Environment and Occupational Health and Safety in Akçansa are ongoing. All data of management systems continue

Report on Compliance With Corporate Governance Guidelines continued

to be recorded to the computer program ENVOY, which was bought for this purpose. Stakeholders obtain information about corporate developments through public statements released as required by the relevant regulations. Employees are informed about their areas of expertise and issues of interest to them through meetings, seminars, courses and online notices.

14. Participation of Stakeholders in Management

Employees are provided with opportunities to participate in management through periodical meetings (communication meetings, functional meetings, discussions with the General Manager) within the Company, meetings to set annual targets, job evaluation meetings, development planning meetings and the Suggestion System. Surveys are conducted at regular intervals to measure employee satisfaction and receive feedback. Likewise, the satisfaction of distributors and customers is measured intermittently. In addition we gauge the satisfaction of our clients and distributors periodically. In the scope of the Rewarding System, which was first applied in 2008, the successful teams were rewarded with the purpose of rewarding and dignifying teamwork and performance in 2008.

15. Human Resources Policy

Apart from business objectives, Akçansa also lays out strategies and priority goals for human resources. In doing so, the company takes account of the context of the national and global economy and specific circumstances in the cement sector, ready-mixed concrete and aggregates. Paying particular attention to human resources, which plays an important role in the company's success, Akçansa provides its employees with every opportunity in HR processes (including training, performance appraisal, career development, organizational and human resources achievement plan, pay system and social rights), to promote individual development, high performance and a gratifying career. To guarantee the long-term success of the Company, Akçansa pursues the following goals in cooperation with our partners Sabancı Holding and Heidelberg Cement, to adopt contemporary human resources practices, to create an environment that will promote employee satisfaction and productive performance, to add quality to the Company's human resources, to maintain efforts to become a preferred employer by virtue of the Company's positive image, to be an exemplary Company in the field of human resources embodying the best practices, to possess and maintain the best qualified labor force in the sector, to create training and development opportunities for employees individually and professionally, to base the corporate pay system on fairness, rewarding high performance, with pay to be commensurate with the overall level of pay throughout the country, to shape a common identity for Akçansa employees; this should be based on mutual trust and respect, analytical thinking, customer focus, team work and cooperation, openness to efficient communication, sharing of accomplishments, and centered on achievement, other priorities are the management of the "culture" aspect to enact the Company vision, identifying employee expectations and areas where the organization needs to be improved, charting action plans in these areas and sustaining development to bolster company goals and performance. No representative has been appointed within the Company to coordinate relations with employees. There were no complaints from employees concerning discrimination, either before or during 2008.

16. Relations with Customers and Suppliers

The Company embraces the principle of customer's mutual satisfaction and suppliers as part of its quality policy. It abides by the obligations to its customers and external demands on the same issue. The Quality Control System is regularly reviewed and monitored. The development of product quality is encouraged. The Company ensures that any activities carried out by contractors and suppliers, which may have a bearing on quality, adhere to their quality commitments. Informative meetings are organized to develop the quality consciousness of contractors and suppliers. In these meetings, joint working groups are formed to deal with participants' problems. Maximum effort is expended on efficient communication between the parties. Concurrent with the significance attributed to products, services and quality, activities to develop customer satisfaction are continued interminably. Customer satisfaction is measured in regular surveys. Training programs and seminars are held for customers at regular intervals. Research and development activities are also carried out. In line with the observance of trade secrets in the Company, information concerning customers and suppliers is kept confidential.

17. Social Responsibility

To ensure a cleaner environment, the Company goes to great lengths to comply with international standards. As stated in our ISO 14001 environmental policy, our goals include: Waste management and reduction by classifying wastes, recycling if possible, elimination of waste in licensed disposal facilities, burning waste which can be used in our plants (where licenses and permits have been granted), evaluation of damage wrought by waste on the environment, taking necessary preventive measures to minimize such damage, fulfilling legal obligations, providing required infrastructure and resources, enforcing sanctions on our contractors where necessary and providing training. Environmental awareness in operations and sustaining development while protecting the environment is one of Akçansa's essential goals. Akçansa considers the environmental factor in all its facilities, in practice as well as in corporate aspects. Akçansa converts a whole range of waste into value for the economy. The Büyükçekmece and Çanakkale Plants were the first in Turkey to be awarded with the R134-001 and R117-001 licenses from the Ministry of Environment and Forestry to use alternative fuels. The burning of waste in cement plants helps conserve natural resources and slashes carbon dioxide emissions, producing a solution to the intractable issue of waste disposal. In line with its mission to protect Turkey's cultural legacy, Akçansa sponsored archaeological excavations of Troy in Çanakkale to promote the nation's historical and cultural heritage. Our plants provide financial contributions to improving public services offered by local municipalities, schools and public organizations. Detailed information on our contributions is presented in the publicity section of our annual report. Honoring our notion of social responsibility, Akçansa undertakes donations to the Sabancı Foundation (VAKSA). These donations enable the Company to contribute to Turkey's social and cultural development beyond its immediate vicinity. There are cases against the company regarding environmental issues.

SECTION IV - Board of Directors

18. Structure and Composition of the Board of Directors and Independent Members

Not all the board members are executive. The composition of the Board of Directors is presented below. Information on each member is provided in the opening sections of the annual report.

Ziya Engin TUNÇAY	Chairman (Appointed as Chairman on April 1, 2008)
Daniel H. J. GAUTHIER	Vice Chairman
Ali Emir ADIGÜZEL	Member
Ernest Gerard JELITO	Member
Ahmet Cemal DÖRDÜNCÜ	Member
Mehmet GÖÇMEN	Member (Appointed on September 12, 2008)
Mehmet HACIKAMİLOĞLU	Member (Resigned on September 12, 2008)

Members of the Board of Directors are free to take other post(s) outside the Company. There are no limits or restrictions. Our Board Members are entitled to carry out transactions as regulated in the pertaining General Assembly resolution and articles 334 and 335 of the Turkish Commercial Code.

19. Qualifications of the Board Members

The qualifications of the Board Members are compatible with the related articles specified in the Corporate Governance Principles of the Capital Markets Board (CMB). The Company's Articles of Association do not refer to any minimum qualifications required from Board Members. When the need arises, development programs are designed and implemented in a bid to keep better track of contemporary developments in administrative sciences, by collaborating with universities and other scientific institutions.

20. The Company Mission, Vision and Strategic Goals

VISION

"Pushing the limits through sustainable growth"; to push the established limits in the construction materials sector through sustainable growth, and maintain the trust of our shareholders, by applying the optimal business model.

MISSION
To be the leading building materials company, and to improve the overall quality of life in society, Through our culture which respects social, environmental, legal and ethical values by creating value; For our customers with innovative products, services and solutions for our stakeholders with a high financial performance and for our employees, who are at the core of our business model, with continuous progress opportunities

The Company's strategic goals have been spelled out by the Board of Directors after a discussion with shareholders to cover a period of three years. The annual budgets drawn up to meet strategic goals are approved by the Board of Directors. The Board of Directors possess precise information on the implementation process of decisions taken, with comparative presentations received from company executives during meetings. In these presentations, budgetary and current reports of the current financial year are submitted, as well as a comparison with the corresponding periods of previous years. The Board of Directors repeats this process at least four times a year.

21. Risk Management and the Internal Control Mechanism
An Internal Control Manager and an Internal Control Specialist provide services to the Company. The principles and goals behind their activities are clearly defined. Assisted by the Auditing Committee, they efficiently fulfill the tasks allotted to them by the Board of Directors in keeping with the Auditing Committee Statute. At the core of our risk management is the definition and screening of all possible risks that the Company may face. The Company and its executives have categorized all possible risks and all necessary precautions are taken. These involve all types of financial risk: asset-liability risks, credibility, capital/indebtedness, exchange rates, risk factors that may directly influence the financial state of the Company and natural risks, where all facilities are insured to minimize the risk imposed by natural disasters such as earthquakes, fire, etc., which may affect the performance of the Company. The SAP system is applied to prevent any loss of data and ensure systems are unaffected in the event of extraordinary circumstances. This system allows up-to-date tracking of activity results and measurement and processing when necessary, aiding the decision-making process. The application of SAP has raised the efficiency of the internal control mechanism by eliminating individual mistakes. Investments have also been made in the Company's back-up system. In parallel with the risk management and control system effective at our partners Hacı Ömer Sabancı Holding A.Ş. and HeidelbergCement Group', the company applies and develops the processes to manage risk efficiently. Financial needs of the factory are provided from short-medium and long-term export and foreign exchange credits. To define and observe all probable risks the Company may face, are the basic strategies for risk management.

22. Duties and Responsibilities of the Board Members and Executives
The administrative powers and mandate of the Board of Directors are defined in the Articles of Association. The duties and responsibilities of the executives are not outlined in the Company's Articles of Association, but have been specified by the Board of Directors.

23. The Operating Principles of the Board of Members
The Board of Directors held 44 meetings, four face-to-face meetings and 40 meetings in 2008, by collecting written approval as set out by the provisions of the Turkish Commercial Code and the Articles of Association. Meeting agendas are determined after the Board Chairman consults with Board Members and the General Manager. Details of the agenda and content are set out in a printed file, prepared by the informative committee and circulated to board members one week prior to the meeting, to allow them a period of study and examination. In the meetings held in 2008, no opinions were expressed in opposition to the decisions taken by the Board Members. While the binding issues stated in the CMB Corporate Governance Principles, part IV, article 2.17.4 required a decision, and members were required to attend board meetings in person. No questions were recorded in the minutes of the meetings, because there were no questions from Board Members. Board Members were not entitled to weighted voting or veto powers for the issued decisions.

24. Prohibited Transactions and Competition with the Company
Board Members did not enter in any prohibited transactions with the Company and did not compete in the same field of activity in 2008.

25. Ethical Rules
The ethical rules accepted by our partners, Sabancı Holding, have also been adopted and implemented by the Company. Employees are informed of the rules through the distribution of booklets, which clearly specify the rules, and through training sessions provided to all employees. With "Sa-Ethical Year End Application", conducted web-based, feedback of our employees related with ethics are accepted.

26. The Number, Composition and Independence of Committees Set up by the Board of Directors
There is an Auditing Committee and Preliminary Informative committee tied to the Board of Directors. Since the Board of Directors directly attends issues of harmony with corporate governance principles, it was not found necessary to set up a separate committee with regard this issue. No conflicts of interest caused were found by the current membership structure of the Auditing Committee in 2008. Prior to board meetings, the Preliminary Informative Committee conducts comprehensive research into the issues to be presented to the Board of Directors and prepares detailed presentations. The Internal Auditing Manager presents reports setting out the Corporate Governance Principles to members of the Auditing Committee.

27. Remuneration of the Board of Directors
Board Members are not provided with any remuneration unless a decision to the contrary is reached by the General Assembly. In 2008, the Company did not carry out any of the following activities: lend, issue loans, extend issued loans, improve conditions for issuing loans, issue loans under the title of individual loans via a third party or provide any indemnities. We are proceeding steadily forward through our competitive strength, our financial performance, and our technological innovative ability.

F) Conducted Research and Development Activities:
Betonsa Technological Center continues to partake in activities such as training, customer services, preparations for fairs and brochures, R&D studies, product optimization studies, technical trips organized for university students, giving support to research (especially about concrete) in universities, and studies about national/international scientific publications in partnership with universities. Activities are ongoing in areas of new raw material resources research, and giving approval for their use, under the control of Quality and Optimization Management in Betonsa, quality control of purchased raw materials in facilities, approval as to whether or not they can be used in production, preparation of concrete formula without compromising on quality or standards, optimization and preparation of special designs toward customer requests and requirements, conducting of experiments on fresh, new concrete and hardened concrete by taking samples from daily production, taking of representative samples to the structure assessment laboratory, dealing with costumers' complaints about quality of concrete, provision of technical support and training for costumers regarding quality of concrete, keeping facilities always available for auditing (KGS, TSE, ISO 9001, etc), advertising of the factory and contribution towards a stronger corporate image by establishing close contact with structural assessment foundations, independent laboratories, the Construction Engineers' Chamber, university staff and costumers.

G) Changes in the articles of partnership within the period and reasons:
Within the dates 01.01.2008 - 31.12.2008, the company made an amendment in the 3rd article in the Articles of Partnership in order to get an Auto Producer License from the Energy Market Regulatory Authority (EPDK) according to the demand by EPDK. It was presented for approval to the Extraordinary General Committee on 26.09.2008 and was registered on 03.10.2008.

H) If existing, nature and amount of issued capital market instruments:
None.

I) The sector in which the company operates, and its place in this sector:
As the largest player in the Turkish cement sector, Akçansa's leadership brings with it a responsibility to improve the sector and to enhance its prestige. Akçansa, as a leader institution, sees itself as responsible for augmenting value created for its stakeholders and perpetuating its growth. Akçansa, with its principle of sustainable growth and courageous

Report on Compliance With Corporate Governance Guidelines continued

business objectives, performs its operations in the best way through planning. The company, transparently, openly and continuously in touch with social stakeholders, not only in business but also in studies related to social responsibility, gains esteem by converting its activities to value added communication projects. Akçansa aims to take this good and strong relationship with social stakeholders further. Akçansa gains honor in light of the fact that it has made the greatest investment in society and social stakeholders. Among the areas in which Akçansa demonstrates its commitment to the creation of social benefit, are support for the regions where it operates, contribution via factories and facilities to development, and development of and engagement in projects in sports, training and cultural works for the greater public benefit. Akçansa has totally assimilated the principles of sustainable research and performance culture. Akçansa is continuously reinforcing its leadership in the sector through its competitive strength, financial performance, technological innovation (from specific products to alternative fuel and raw material usage), respect for the environment, social responsibility studies, and progressive applications in human resources. While Akçansa creates value for the economy through industrial investments supporting the use of Turkey's natural resources, employment, production and exports, it also creates social responsibility value in cultural, training, sports, and environmental areas, using the resources gained from trade and industrial activities. Akçansa applies high standards to many areas such as alternative fuel and waste usage, sensitivity towards the preservation of the environment, occupational safety and work ethics, the structure of business and workflow. Along with all filters in the plants, all legal requirements concerning gas and dust emissions in the main chimneys are measured and controlled annually by the accredited institutions. Moreover, due to waste burning in kilns, recordings made on a quarterly basis are submitted to the Ministry of Environment and Forestry. With the help of the monitor placed at the entrance of Akçansa Plant in Büyükçekmece, emission values are shared instantaneously with the public. The Akçansa Plant in Büyükçekmece is the first facility Turkey-wide in which the specially-designed waste feeding system was constructed, which enhances automatic feeding of waste tires and waste oils, and the burning of contaminated waste and other waste as alternative fuels is on the increase. In the Büyükçekmece Plant secondary fuels make up a 5% share of total cooking calories. In the scope of Waste Management, studies were completed and equipment purchased for the building of an alternative fuel and raw materials laboratory, with the aim of performing analysis complying with legal requirements, and began operating at the start of 2008. There is also an R&D unit that provides service to all the Company's cement production activities at this plant. In terms of cooperation with universities, Betonsa has given instrumental support to many PhD and MBA theses of the Constructional Materials Department in İTÜ. In the scope of R&D, a lot of research for practical purposes has been conducted through the cooperation of İTÜ and Betonsa, and is published in national/international technical journals. Betonsa offers training at regular intervals to customers, construction companies, manufacturers of concrete components, civil engineers, auditing firms, engineers and technical staff of local and central authorities, and university students. Concrete technology, the durability of concrete and the importance of curing and maintenance are explained in seminars. Additionally, up-to-date information is shared on matters such as concrete pouring techniques in hot and cold weather.

J) Developments in investments, the condition of incentive benefits and, if existing, to what level:

We have two Incentive Certificates for the second production line, which started in the Çanakkale Plant in 2006 and was completed in March 2008. Investment expenditure on incentive certificates was 100% completed by April 2008. As of December 2008 we have an investment incentive certificate for the production of energy from waste gas. However investment expenditure was not yet realized by December 2008. The benefit of these certificates was evidenced by exemption of customs tax and dispensation of Value Added Tax (KDV) on imported machines and equipment.

K) Our production and production capacities:

The capacities of our factories and facilities are summarized in the table below. According to this, our Çanakkale Plant increased its clinker production capacity to 4 million tons, and its cement production capacity to 6 million tons, with the help of the 2nd Clinker Production Line, which went under construction in June 2006, and started operating in March 2008. The 2nd Clinker Production Line, constructed using the world's latest technological advances, will create added value, not to only the Company but also to our country through its energy productivity and its environmentally friendly technology. Moreover, Ladik Cement, with clinker production capacity of 650.000 tons and cement production capacity of 1.050.000 tons, has been making sales under the Akçansa Cement umbrella since May 1, 2007.

PLANT CAPACITIES (Tons/Year)	Cement Production Capacity	Clinker Production Capacity	Operation Capacity
Büyükçekmece	2.800.000	1.850.000	-
Çanakkale	5.500.000	4.000.000	-
Ladik	1.050.000	650.000	-
Ambarlı	-	-	1.600.000
Aliağa	-	-	350.000
Yalova	-	-	300.000
Yarımca	-	-	700.000

L) Our sales:

Compared to the same period of the previous year, our domestic sales revenue in December 2008 increased by 2% to TL 713,7 million. International sales revenue was up by 261% to TL 108 million. This increase results from market conditions at home and abroad.

M) Financial ratios:

LIQUIDITY RATIOS		31.12.2008
Current Ratio	(Current Assets / Current Liabilities)	1,33
Acid Test Ratio	(Current Assets-Inventories) / Current Liabilities	0,86
Stocks / Temporary Investment	Stocks / Current Assets	0,35
Business Capital	Current Assets (Except Cash and Cash Equivalents) – Short-Term Financial Loans	277.567.937
FINANCIAL STRUCTURE RATIOS		
Financial Leverage	Non-current Assets / Owner Equity Financial Debts / Owner Equity (Short-Term + Long-Term Foreign Reserves) / Assets	0,34
Fixed Assets / Shareholders Equity		1,17
Financial Debt / Shareholders Equity		0,33
Net Financial Position	Net Assets - Financial Debt	(219.797.964)
PROFITABILITY RATIOS		
Assets Turnover	Net Sales / Total Assets	0,71
Gross Profit Margin	Gross Sales / Net Sales	0,26
Return on Investment	Net Profit / Total Assets	0,09
Operating Profit / Sales Revenue		0,16
Net Earnings per Share		0,54
Cash Assets		29.312.899
Financial Debt		249.110.863
Net Financial Position		219.797.964
Trade Receivables		118.882.746
Other Receivables		18.696.913
Inventories		89.107.876
Trade Payables		(53.955.431)
Other Payables		(14.046.913)
Net Working Capital		158.685.191

N) Considered measures to improve the financial structure of the business:
According to market conditions, and in compatibility with company procedures, Akçansa continues to perform hedging activities strengthening business capital, improving cost structure, balancing foreign exchange cash output and input, and supporting its strong financial capacity.

O) Names, surnames and career experience of persons currently working in senior management, and changes therewith:

Mehmet Göçmen / General Manager (Resigned on August 1, 2008)
Born in 1957, Mehmet Göçmen was educated at the Galatasaray High School and graduated from the Industrial Engineering department at the Middle East Technical University. He subsequently completed a graduate degree in Industrial Engineering and Operations Research at the Syracuse University in the USA. He started his career in 1983 at Çelik Halat and served as the General Manager of Lafarge Ekmel Concrete and as the Vice President of Lafarge Turkey in charge of Business Development, Strategy and Marketing between 1996 and 2002. He has served as General Manager at Akçansa since June 2003 and resigned on August 1, 2008.

Hayrullah Hakan Gürdal / Assistant General Manager – Ready-Mixed Concrete (Appointed as General Manager August 1, 2008)
Born in 1968, Hakan Gürdal studied Mechanical Engineering at undergraduate level and went on to receive graduate degrees in Management and Economics. He joined Çanakkale Cement in 1992. He was appointed as Akçansa's Strategy and Business Development Manager in 1996 and Assistant General Manager in Charge of Trade in 1997. After serving as an Assistant General Manager in Charge of Ready-Mixed Concrete and Purchasing, he was appointed as the General Manager on August 1, 2008.

Christian Leclercq / Assistant General Manager - Finance (Resigned on March 1, 2008)
Born in 1965 in Belgium, Christian Leclercq first graduated from the Management Department at the Solvay Business School. He completed a graduate degree at the same school to become a tax Specialist. He worked as Auditing Chief at Coopers and Lybrand, Financial Controller at the Walibi Group, and Group Controller and Senior Corporate Finance Manager at CBR-Heidelberg Cement. He was appointed as Assistant General Manager at Akçansa in October 2004. He resigned on March 1, 2008

Şeyda Pirinççioğlu / Assistant General Manager – Finance (Appointed as Assistant General Manager – Finance on March 1, 2008)
Born in Istanbul in 1971, Şeyda Pirinççioğlu completed a graduate degree in Economics and Finance at Pennsylvania Clarian University. Having completed her education in London Business School in 2007, Pirinççioğlu commenced her career in America, Turkey and England in investment banks. She joined the HeidelbergCement Trading company in 1999, and served as Finance Director between 2004 and March 1, 2008. Pirinççioğlu continues her role of Assistant Manager (Finance) at Akçansa.

Ali Özer Erman / Assistant General Manager - Human Resources
Born in 1956, Ali Özer Erman graduated with a B.A. degree from the department of Business Administration at the Middle East Technical University. Erman started his business life at Ermes Constructions in 1981 and after served as a Human Resources Director at Hilton Hotels in Istanbul and Mersin. He worked for Philip Morris as a Director of Management and Organization Deveolopment and Employment between 1991 and 1998. Erman has served as Assistant General Manager of Akçansa's Human Resources department since 2000.

Cem May / Assistant General Manager - Cement Sales and Marketing
Born in 1963 in Ayvalık, Cem May graduated from the department of Mechanical Engineering department at Yıldız University. He joined the cement sector in 1991 at Çanakkale Cement and became the Akçansa Sales Manager of the Aegean Region in 1996. He became the Regional Sales Manager of the Northern Marmara region in 2003. He has been serving as the Assistant General Manager in Charge of Cement Sales and Marketing since July 2005.

Cenk Eren / Assistant General Manager – Purchasing and Logistics (His position was changed as Assistant General Manager – Ready-Mixed Concrete and Aggregate on August 1, 2008)
Born in 1969 in Istanbul, Cenk Eren graduated from the Mechanical Engineering department at Bosphorus University. He began to work at Akçimento in 1993. He was appointed as a Strategy Development Specialist at Akçansa in 1996 and as Manager of Cement Sales and Planning in 1998. He served as Manager of the Ready-Mixed Concrete department for the Western Marmara Region between 2002 and 2007. Eren has worked as Assistant General Manager of Purchasing and Logistics since September 2007. Since August 1, 2008, he has been working as Assistant General Manager in Charge of Ready-Mixed Concrete and Aggregate.

Ahmet Vasfi Pekin / Assistant General Manager - Operations (Resigned on April 30, 2008)
Born in 1955 in Izmir, Ahmet Vasfi Pekin completed his high school education at the Bornova High School. He graduated from the Department of Industrial Engineering at the Bosphorus University in 1979 and in 1982 started working for Akçimento. He served as the General Manager of Çimentaş between 1995 and 1998 before returning to Sabancı Holding's Cement Group as the Strategy and Business Development Director. He has served as the Assistant General Manager in charge of Operations at Akçansa since July 2004 and resigned his position in our Company on May 9, 2008.

İlkfer Akman / Assistant General Manager – Operations (Appointed on June 1, 2008)
Born in Izmir in 1951, İlkfer Akman is a graduate of the department of Electrical Engineering at the Middle East Technical University. His first post was at Çitosan in 1975, and was followed by various posts at Petkim's Aliağa and the Saudi Arabian Quassim Cement Plants. Before the merger, he worked as the Technical Assistant General Manager at Çanakkale Cement. Following the establishment of Akçansa, he became Plant Manager for the Çanakkale and Büyükçekmece Plants. He then worked for one year as a Regional Coordinator at HeidelbergCement-HTC. In February 2006, he was appointed as the Plant Manager to the Akçansa's Büyükçekmece Plant for the second time.

Hasan İmer - Çanakkale Plant Manager (Resigned on June 1, 2008)
Born in 1954, Hasan İmer read mechanical engineering at the Istanbul State Academy of Architecture and Engineering. His first post, in 1980, was at the Saudi Arabian Company, Quassim, where he worked as a mechanical engineer. He served as a Projects and Investment Manager at Akçansa's Çanakkale Plant in 1988. In February 2001, he was appointed as the Asian Regional Coordinator in Germany at the Heidelberg Cement Technology Center (HTC). He has been the manager of the Çanakkale Plant since July 2004 and resigned his position in our Company on June 1, 2008.

Ali Rıza Karakaş - Çanakkale Plant Manager (Appointed on June 1, 2008)
Born in 1956 in Sivas, Ali Rıza Karakaş completed his primary, secondary and high school education in Istanbul, and graduated from the Chemistry Faculty at ITU (Istanbul Technical University). Karakaş completed his Masters in Chemical Engineering in 1981, and commenced his career the same year as an engineer at Titiz Textile company. In 1984 he joined Çanakkale Cement. He worked in various positions prior to his appointment as Clinker Production Manager in 1993. He undertook the Assistant Çanakkale Plant Manager role in addition to his role of Production Manager in 2005. Karakaş has been the Çanakkale Plant Manager since June 1, 2008.

Mehmet Öztürk - Ladik Plant Manager
Born in Kayseri in 1960, Öztürk graduated from the Electrical-Electronics Engineering department at the Middle East Technical University. His first post was at Elimko in 1984, followed by various posts at electrical equipment and system producers such as Seneka, Burç Elektrik. Prior to the merger, Öztürk worked as the Energy Manager in Çanakkale Cement, following by the merger he served as Energy Manager in Çanakkale and Büyükçekmece Plants, Büyükçekmece Maintenance Manager and Project and Automation Manager.

Report on Compliance With Corporate Governance Guidelines continued

Nevra Özhatay – Strategy and Business Development Director (Her position changed as Strategy, Business Development and Logistics Director on August 1, 2008 and resigned on January 1, 2009)
Born in 1970, Nevra Özhatay studied Business Administration at the Bosphorus University, before completing an MBA at the University of Exeter in the UK. She worked as a Finance Specialist and Talent Pool candidate at Sabancı Holding in 1994. She became Management Support Manager at Akçansa in 1996, Strategy and Business Development Specialist in 1998, and a Planning and Control Manager in 2000. She has served as the Strategy, Business Development and Logistics Director since 2004 and quitted on January 1, 2009. ??

Mehmet Noyan Buzcu - Purchasing and Logistics Director
Born in 1965, Mehmet Noyan Buzcu graduated in 1988 from the department of Industrial Engineering at Istanbul Technical University (ITU), and completed a Masters in Operational Management in 1990 at America New Hampshire College. Taking his first post as Planning Engineer at Akçimento in 1990, Buzcu worked as Strategy and Planning Specialist at Akçansa between 1996 and 1997, Strategy and Development Manager between 1997 and 1999, and Human Resources Manager as of June 1999. Buzcu was appointed Purchasing and Logistics Director in January 1, 2009.

A. Yavuz Ünal - Internal Audit Manager
Born in 1950, Ünal graduated from the Istanbul Economic and Commercial Sciences Academy in 1972. Joining Akçansa in 1977 he served as Finance Supervisor, Assistant Finance Manager and Finance Manager until 1993, when the same year, he was appointed as the Manager of Financial and Administrative Affairs to Betonsa, a subsidiary of Akçimento. He has been the Internal Audit Manager since 2001.

P) Personnel and employee movements, applications of collective agreement, rights and benefits that are provided to personnel and employees:
The average number of consolidated personnel was 1,132 as of December 31, 2008. In Collective Labor Agreement meetings on March 20, 2008, the Cement Industry Employers' Union, of which our company is a member, and Turkey Çimse-İş Workers Union signed a Collective Labor Agreement for the period from January 1, 2008 to December 31, 2010. According to the Collective Labor Agreement: First Year; 12% monthly pay increase for net hours from December 31, 2007, to come into effect by January 1, 2008: Second year; a pay increase for net hours according to the same month in the preceding period, January 1, 2008 - December 31, 2009, benchmarking 2003=100 Main Year Consumption Index - TR Statistics Association of the Prime Ministry of Turkey (TÜİK), to come into effect by January 1, 2009: Third year; a pay increase adding three points to the rate of increase according to the same month in the period January 1, 2009 - December 31, 2009, benchmarking 2003 = 100 Main Year Consumption Index - TR Statistics Association of the Prime Ministry of Turkey (TÜİK), to come into effect by January 1, 2010. The payment of a seniority encouragement premium once every 5 years to employees has been agreed in line with the collective labor agreement.

Q) Information about donations made within the year:
TL 2,403,831.11 was donated to public enterprises, especially to educational enterprises, in the 12 month period of 2008.

R) Out of center organizations if existing:
The addresses of our out of center organizations are listed below.

ÇANAKKALE PLANT - Mahmudiye Beldesi 17640 Ezine / ÇANAKKALE
BÜYÜKÇEKMECE PLANT - PK.1 Mimarsinan Beldesi 34900 Büyükçekmece / İSTANBUL
SAMSUN LADİK PLANT - İskaniye Mah. Akpınar Mevkii Ladik / SAMSUN
İZMİR SALES OFFICE - Ali Çetinkaya Bulvarı No. 34/1 K. 4 D. 402 Alsancak / İZMİR
SAMANDIRA READY-MIXED CONCRETE FACILITY - Deveyatağı Mevkii Samandıra 2. Bölge Samandıra / İSTANBUL
ÇORLU READY-MIXED CONCRETE FACILITY - Şehsinan Mah. Kadıderesi Mevkii Çorlu / TEKİRDAĞ
ALİAĞA READY-MIXED CONCRETE FACILITY - Horozgediği Köyü Hayıtlıdere Mevkii Aliağa / İZMİR
KEŞAN READY-MIXED CONCRETE FACILITY - Yeni Muhacır Beldesi E - 27 Asfaltı Üzeri Keşan / EDİRNE
MENEMEN READY-MIXED CONCRETE FACILITY - Kazımpaşa Mah. Ormanbeşli Mevkii Menemen / İZMİR
KARAMÜRSEL/YALOVA TERMINAL - Balcı Mevkii SCA Fabrikası içi Kaytazdere-Altınova / YALOVA
ALİAĞA TERMINAL - Horozgediği Köyü, Nemrut Körfezi Çukurova Çelik Limanı Aliağa / İZMİR
ÖMERLİ READY-MIXED CONCRETE FACILITY - Uran Cad. No: 20 Ömerli-Ümraniye / İSTANBUL
YENİBOSNA READY-MIXED CONCRETE FACILITY - Tem - Havaalanı Yanyolu Dereboyu Mevkii Sefaköy/ İSTANBUL
AYAZAĞA AGGREGA FACILITY - Cendere Yolu Önerler Petrol Karşısı Kemerburgaz-Eyüp / İSTANBUL
TEKİRDAĞ READY-MIXED CONCRETE FACILITY - Muratlı Yolu Üzeri 4. Km TEKİRDAĞ
SAMANDIRA 2 READY-MIXED CONCRETE FACILITY - Abrurrahman Gazi Mah. Sevenler Cad. Ekmekçioğlu Mevkii Samandıra-Kartal / İSTANBUL
SİLİVRİ (KENTAŞ) READY-MIXED CONCRETE FACILITY - Mimar Sinan Mah. Eski Çanta Köyü Üzeri Maksi Market Arkası Silivri / İSTANBUL
SAMSUN READY-MIXED CONCRETE FACILITY - Dereler Köyü Sündüsler Mevkii No:189 SAMSUN
GÜRPINAR READY-MIXED CONCRETE FACILITY - İstanbul Cad. 1188 Ada 26 Parsel Gürpınar-Büyükçekmece / İSTANBUL
MERZİFON READY-MIXED CONCRETE FACILITY - İstanbul Yolu 1. Km Alıcık Yolu Üzeri (26.27.H Pafta-291 Ada-5 Nolu Parsel) Merzifon / AMASYA
BURSA AGGREGA FACILITY - Eski Kemalpaşa Yolu Üzeri Kayapa Beldesi Nilüfer / BURSA
ATAKÖY READY-MIXED CONCRETE FACILITY - Şevketiye Mah. Havaalanı Cad. Sivil Savunma Yanı Yeşilköy / İSTANBUL
ÇAĞLAYAN READY-MIXED CONCRETE FACILITY - Çağlayan Cad. Abide-i Hürriyet Parkı Yanı Şişli / İSTANBUL
MANİSA READY-MIXED CONCRETE FACILITY - İnönü Mah. Meriç Sokak No: 16 Muradiye / MANİSA
YARIMCA SALES OFFICE - Rota Limanı Körfez / KOCAELİ
SAMSUN 2 READY-MIXED CONCRETE FACILITY - Mobil Santral Yolu Selyeri Mevkii SAMSUN
TOKAT READY-MIXED CONCRETE FACILITY - Tombulkaya Mevkii Tokat Sivas Karayolu 10. Km TOKAT
VELİKÖY READY-MIXED CONCRETE FACILITY - Beylikçayır Mevkii Veliköy-Çerkezköy / TEKİRDAĞ
KEMERBURGAZ READY-MIXED CONCRETE FACILITY - Cendere Yolu Alkanat Rest. Karşısı Kemerburgaz-EYÜP / İSTANBUL
BORNOVA READY-MIXED CONCRETE FACILITY - Ankara Yolu Üzeri No:194 Bornova / İZMİR
BÜYÜKÇEKMECE READY-MIXED CONCRETE FACILITY - Sultan Murat Cad. No: 8 Mimarsinan 34900 -Büyükçekmece / İSTANBUL
BÜYÜKKARIŞTIRAN READY-MIXED CONCRETE FACILITY - Kınalı Köprü Mevkii Büyükkarıştıran / LÜLEBURGAZ
EDREMİT READY-MIXED CONCRETE FACILITY - Akçay Asfaltı Üzeri Kuruçay Mevkii Edremit / BALIKESİR
ESENYURT READY-MIXED CONCRETE FACILITY - Hoşdere Köyü Harmanlık Mevkii - Bahçeşehir / İSTANBUL
GEBZE READY-MIXED CONCRETE FACILITY - Sultan Orhan Mah. Taşocakları Mevkii Gebze / KOCAELİ
GÜZELBAHÇE READY-MIXED CONCRETE FACILITY - Çamlı Köyü. Kırlar Mevkii Güzelbahçe / İZMİR
MAHMUTBEY READY-MIXED CONCRETE FACILITY - İkitelli Organize Sanayi Böl. Girişi Kanlı Çeşme Mevkii Küçükçekmece / İSTANBUL
AMBARLI TERMINAL - Yakuplu Köyü Reşitpaşa Çiftliği Mevkii Ambarlı /İSTANBUL
AYAZAĞA READY-MIXED CONCRETE FACILITY - Cendere Yolu Çakırlar Mah. Ayazağa-Şişli / İSTANBUL
BOLLUCA READY-MIXED CONCRETE FACILITY - Gölpark F2C014D1C Pafta 414 ADA 2 Parsel Bolluca-Gaziosmanpaşa / İSTANBUL
AGGREGA SARAY FACILITY – Kavacık Köyü Mevkii Saray / TEKİRDAĞ

(Convenience translation of an auditors' report and financial statements and footnotes originally issued in Turkish)

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated financial statements as of December 31, 2008 together with report of independent auditors

Independent Auditor's Report

ERNST & YOUNG

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ve Serbest Muhasebeci
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Büyükdere Cad. Beytem Plaza
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To the Shareholders of
Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi;

We have audited the accompanying consolidated financial statements of Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi and its subsidiary (hereafter together referred to as "the Company") which comprise the consolidated balance sheet as at December 31, 2008, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards published by Capital Market Board. 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.

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 generally accepted auditing standards issued by Capital Market Board. 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 financial statements present fairly, in all material respects, the financial position of Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi and its subsidiary as of December 31, 2008, and its financial performance and consolidated cash flows for the year then ended in accordance with financial reporting standards published by Capital Market Board.

Additional paragraph for convenience translation to English:

As of December 31, 2008, the accounting principles described in Notes 2 (defined as CMB Accounting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting and the presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ertan Ayhan, SMMM
Partner

February 25, 2009
İstanbul, Turkey

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated balance sheet
As at December 31, 2008

(Currency – Turkish Lira (TL))

Assets	Notes	Current period audited December 31, 2008	Prior period audited December 31, 2007
Current assets		**256.000.434**	**223.546.465**
Cash and cash equivalents	6	29.312.899	22.254.050
Financial investments	7	-	-
Trade receivables	10,37	118.882.746	107.156.904
- Trade receivables from related parties		1.393.250	3.175.043
- Other trade receivables		117.489.496	103.981.861
Receivables from financial sector operations	12	-	-
Other receivables	11,37	8.598.820	26.498.615
Inventories	13	89.107.876	63.596.201
Biological assets	14	-	-
Other current assets	26	10.098.093	4.040.695
		256.000.434	223.546.465
Assets held for sale	34	-	-
Non-current assets		**877.787.220**	**946.160.598**
Trade receivables	10,37	-	-
Receivables from financial sector operations	12	-	-
Other receivables	11,37	20.690	20.690
Financial investments	7	63.680.758	131.561.026
Investments accounted under equity method	27	-	-
Biological assets	14	-	-
Investment properties	17	-	-
Property, plant and equipment	18	646.992.558	642.286.516
Intangibles	19	34.262.557	34.373.502
Goodwill	20	129.457.887	129.457.887
Deferred tax asset	35	1.603.602	2.285.833
Other non-current assets	26	1.769.168	6.175.144
Total assets		**1.133.787.654**	**1.169.707.063**

The accompanying policies and explanatory notes on pages 39 through 70 form an integral part of the financial statements.

Liabilities	Notes	Current period audited December 31, 2008	Prior period audited December 31, 2007
Current liabilities		**193.066.135**	**142.833.369**
Financial liabilities	8, 37	125.063.791	65.686.445
- Payables from financial borrowings		119.460.523	61.302.548
- Payables from financial leases		5.603.268	4.383.897
Other financial liabilities	9	-	-
Trade payables	10, 37	53.955.431	53.461.317
-Trade payables to related parties		1.455.545	1.509.754
-Other trade payables		52.499.886	51.951.563
Other payables	11, 37	9.591.832	12.070.138
Liabilities due to financial sector operations	12	-	-
Government incentives and grants	21	-	-
Income tax payable	35	-	4.901.002
Provisions	22	4.376.931	5.037.019
Other current liabilities	26	78.150	1.677.448
		193.066.135	142.833.369
Liabilities to assets held for sale	34	-	-
Non-current liabilities		**176.145.349**	**172.961.903**
Financial liabilities	8, 37	124.047.072	126.885.896
- Payables from financial borrowings		120.276.981	120.885.768
- Payables from financial leases		3.770.091	6.000.128
Other financial liabilities	9	-	-
Trade payables	10, 37	-	-
Other payables	11, 37	-	-
Liabilities due to financial sector operations	12	-	-
Government incentives and grants	21	-	-
Provisions	22	1.992.062	5.207.959
Reserve for employee benefits	24	13.476.183	13.086.048
Deferred tax liability	35	36.630.032	27.782.000
Other non - current liabilities	26	-	-
Shareholders' equity		**764.576.170**	**853.911.791**
Equity attributable equity holders of the parent	27	753.119.308	841.706.513
Paid - in share capital		191.447.068	191.447.068
Inflation adjustment to paid-in share capital		233.177.582	233.177.582
Adjustments to share capital and equity instruments (-)		-	-
Share premium		-	-
Value increase fund		24.298.151	92.178.419
Currency translation difference		-	-
Restricted reserves allocated from net profit		67.943.530	50.022.483
Retained earnings		131.983.269	89.082.927
Net profit for the year		104.269.708	185.798.034
Minority interest	27	11.456.862	12.205.278
Total liabilities and shareholders' equity		**1.133.787.654**	**1.169.707.063**

The accompanying policies and explanatory notes on pages 39 through 70 form an integral part of the financial statements.

Consolidated income statement
For the year ended December 31, 2008

(Currency - Turkish Lira (TL))

	Notes	Current period audited January 1 - December 31, 2008	Prior period audited January 1 - December 31, 2007
Continuing operations			
Net sales	28	804.425.303	696.490.327
Cost of sales (-)	28	(598.135.203)	(471.572.334)
Operating profit		**175.166.906**	**182.848.963**
Interest, fee, premium, commission and other income		-	-
Interest, fee, premium, commission and other expense (-)		-	-
Gross profit from finance sector operations		-	-
Gross profit		**206.290.100**	**224.917.993**
Selling, marketing and distribution expense (-)	29, 30	(6.823.532)	(6.014.380)
General and administrative expense (-)	29, 30	(22.185.868)	(21.428.338)
Research and development expense (-)	29, 30	-	(42.245)
Other operating income	31	8.795.036	2.475.484
Other operating expense (-)	31	(10.908.830)	(17.059.551)
Operating profit		**175.166.906**	**182.848.963**
Profit/loss from investments accounted under equity method		-	-
Financial income	32	84.441.418	76.389.878
Financial expense (-)	33	(129.223.158)	(33.544.717)
Net income before taxes from continuing operations		**130.385.166**	**225.694.124**
Tax income/expense for continuing operations		**(25.869.174)**	**(38.516.900)**
- Tax income/(expense) for the period	35	(16.338.911)	(32.692.867)
- Deferred tax income/(expense)	35	(9.530.263)	(5.824.033)
Continuing operations net profit		**104.515.992**	**187.177.224**
Discontinuing operations			
Net profit/loss after taxes from discontinuing operations		**-**	**-**
Net profit		**104.515.992**	**187.177.224**
Attributable to:			
Minority interest	27	(246.284)	(1.379.190)
Equity holders of the parent	27	104.269.708	185.798.034
Earnings per share (Kr)	**27**	**0,54**	**0,97**
Earnings per share from continuing operations (Kr)		**0,54**	**0,97**
Weighted average number of shares		**19.144.706.825**	**19.144.706.825**

The accompanying policies and explanatory notes on pages 39 through 70 form an integral part of the financial statements.

(Convenience translation of financial statements and footnotes originally issued in Turkish)

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated statement of changes in equity For the year ended December 31, 2008

(Currency - Turkish Lira (TL))

	Paid-in share capital	Inflation adjustment to paid-in share capital	Restricted reserves	Value increase fund	Net profit for the year	Retained earnings	Parent company's equity	Minority interest (Note 27)	Total shareholders' equity
Balance at January 1, 2007	191.447.068	233.177.582	29.370.332	97.612.600	146.465.573	91.651.654	789.724.809	12.026.586	801.751.395
Transfers	-	-	20.652.151	-	(146.465.573)	125.813.422	-	-	-
Dividends paid (Note 27)	-	-	-	-	-	(128.382.149)	(128.382.149)	(1.200.498)	(129.582.647)
Net unrealized loss on financial assets (Note 7)	-	-	-	(5.434.181)	-	-	(5.434.181)	-	(5.434.181)
Current year profit	-	-	-	-	185.798.034	-	185.798.034	1.379.190	187.177.224
Balance at December 31, 2007	191.447.068	233.177.582	50.022.483	92.178.419	185.798.034	89.082.927	841.706.513	12.205.278	853.911.791
Balance at January 1, 2008	**191.447.068**	**233.177.582**	**50.022.483**	**92.178.419**	**185.798.034**	**89.082.927**	**841.706.513**	**12.205.278**	**853.911.791**
Transfers	**-**	**-**	**17.921.047**	**-**	**(185.798.034)**	**167.876.987**	**-**	**-**	**-**
Dividends paid (Note 27)	**-**	**-**	**-**	**-**	**-**	**(124.976.645)**	**(124.976.645)**	**(994.700)**	**(125.971.345)**
Net unrealized loss on financial assets (Note 7)	**-**	**-**	**-**	**(67.880.268)**	**-**	**-**	**(67.880.268)**	**-**	**(67.880.268)**
Current year profit	**-**	**-**	**-**	**-**	**104.269.708**	**-**	**104.269.708**	**246.284**	**104.515.992**
Balance at December 31, 2008	**191.447.068**	**233.177.582**	**67.943.530**	**24.298.151**	**104.269.708**	**131.983.269**	**753.119.308**	**11.456.862**	**764.576.170**

The accompanying policies and explanatory notes on pages 39 through 70 form an integral part of the financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated cash flow statement
For the year ended December 31, 2008

(Currency – Turkish Lira (TL))

	Notes	Current period Audited December 31, 2008	Prior period Audited December 31, 2007
Cash flows from operating activities			
Profit before tax and minority interest		130.385.166	225.694.124
Reconciliation between net profit before taxation and cash generated from operating activities:			
Unrealized foreign exchange expense/income		49.355.000	(36.217.960)
Depreciation and amortization	18, 19, 30	55.850.815	42.589.011
Provision for employee termination benefits	24	2.520.573	2.749.270
Seniority incentive premium		256.481	1.689.041
Recultivation provision, net	22	(3.215.897)	5.207.959
Gain/loss on sale of property, plant and equipment	31	(654.797)	167.028
Interest expense	33	19.765.237	9.240.808
Interest expense from discounting of litigation provisions	22	-	63.214
Provision for doubtful receivables	10	1.221.949	548.660
Dividend income	32	(14.419.043)	(11.450.817)
Gain on available for sale financial assets	32	-	(4.062.250)
Provision for litigations, net	22	374.112	(494,392)
Scrap items expensed due to Ladik cement plant acquisition	20	-	21.668
Provision for inventory valuation		811,000	629.366
Competition board penalties, net	22	(1.302.954)	881.440
Premium accruals to be paid to executive management		550,000	-
Operating profit before changes in operating assets and liabilities		**241,497,642**	**237.256.170**
Net changes in operating assets and liabilities			
Trade receivables		(11.969.062)	(1.683.143)
Other receivables		21.777.124	(22.888.807)
Inventories		(26,322,675)	(8.458.775)
Other current assets		(6.057.398)	(540.923)
Other non-current assets		4.405.977	31.359.259
Trade payables		311.422	(4.766.445)
Other payables		(2.478.306)	502.293
Other liabilities		(1.599.298)	4.013.111
Provisions		345.754	(364.224)
Taxes paid		(25.117.242)	(38.772.655)
Employee termination benefits paid	24	(2.386.919)	(1.895.765)
Fines paid	22	(627.000)	(4.541.064)
Collections from doubtful receivables	10	(978.729)	(42.865)
Net cash used in investing activities		**(43.418.461)**	**(391.060.403)**
Cash flows from investing activities			
Change in marketable securities and financial assets		-	28.798.104
Purchase of property, plant and equipment, net		(57.629.818)	(205.116.301)
Purchase of intangible assets	19	(1.135.212)	(856.082)
Proceeds from sale of property, plant and equipment		927.526	431.773
Dividends received	32	14.419.043	11.450.817
Cash outflow due to Ladik cement plant acquisition		-	(225.768.714)
Net cash used in investing activities		**(43.418.461)**	**(391.060.403)**
Cash flows from financing activities			
Proceeds from short-term borrowings		206.436.392	56.346.054
Proceeds from long-term borrowings		-	203.600.000
Repayment of short-term borrowings		(197.090.816)	(48.781.280)
Repayment of finance lease obligations		(4.138.749)	(3.539.364)
Dividend paid to minority interest		(994.700)	(1.200.498)
Dividend paid		(124.793.953)	(128.168.556)
Interest paid		(19.742.154)	(2.547.349)
Net cash (used in) provided by financing activities		**(140.323.980)**	**75.709.007**
Net increase / (decrease) in cash and cash equivalents		**7.058.849**	**(126.175.229)**
Cash and cash equivalents at the beginning of the year	6	22.254.050	148.429.279
Cash and cash equivalents at the end of the year	**6**	**29.312.899**	**22.254.050**
Supplemental disclosure of cash flows information			
Cash received by the Company for interest income		2.162.055	7.911.267

The accompanying policies and explanatory notes on pages 39 through 70 form an integral part of the financial statements.

1. Corporate information

General

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi (Akçansa) was formed on December 31, 1996 through the merger of Akçimento Ticaret Anonim Şirketi (Akçimento) which was established in 1967, with Çanakkale Çimento Sanayi Anonim Şirketi (Çanakkale) which was established in 1974. At January 12, 1996, Mortelmaattschappij Eindhoven B.V. (Mortel), which is a wholly owned subsidiary of Cimenteries CBR S.A. (CBR), acquired 97.7% of Çanakkale. Subsequently on July 24, 1996, the CBR group exchanged its shares in Çanakkale for 30% of the shares of Akçimento which was mainly owned by the affiliates of Hacı Ömer Sabancı Holding Anonim Şirketi.

Effective from October 1, 1996, Akçimento ceased its existence and merged with Çanakkale. The name of Çanakkale was changed as Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi. Akçansa shares have been traded on the Istanbul Stock Exchange since 1986. On November 27, 2006, %39,72 shares of Akçansa Çimento Sanayi ve Ticaret A.Ş. owned by CBR International Holdings B.V. which is %100 owned subsidiary of Heidelberg Cement A.G. has been transferred to Heidelberg Cement Mediterranean Basin Holdings S.L. which is also 100% owned subsidiary of Heidelberg Cement A.G.

The address of the headquarter and registered office of Akçansa is Kozyatağı Mahallesi, Kaya Sultan Sokak, Hüseyin Bağdatlıoğlu İş Merkezi, No : 97, Kat : 5 - 8, Kozyatağı, Istanbul.

The consolidated financial statements are authorized for issue by the management on February 25, 2009. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after the issue. The major shareholders of the Company are Hacı Ömer Sabancı Holding AŞ and Heidelberg Cement Mediterranean Basin Holdings S.L., as disclosed further in Note 25.

For the purpose of the consolidated financial statements, Akçansa and Karçimsa Çimento Sanayi ve Ticaret AŞ (Karçimsa - 50.99% owned subsidiary of Akçansa) - together are referred to as "Akçansa and its subsidiary" or "the Company". For the twelve months period then ended December 31, 2008 and for the year then ended December 31, 2007, the number of personnel (all employed in Turkey) is 1.132 and 1.071, respectively.

Nature of activities

The Company is primarily engaged in manufacturing of cement, clinker, ready mixed concrete and aggregate.

2. Basis of preparation of financial statements

Basis of preparation

Akçansa and its subsidiary, which is incorporated in Turkey, maintain their books of account and prepare their statutory financial statements in accordance with regulations on accounting and reporting framework and accounting standards promulgated by Turkish Capital Market Board (TCMB - only for Akçansa), Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The consolidated financial statements have been prepared from statutory financial statements of Akçansa and its subsidiary and presented in Turkish Lira (TL) with adjustments and reclassifications for the purpose of fair presentation in accordance with CMB. The main adjustments are related with the consolidation, business combinations, deferred tax calculation, discounting on receivables, payables and other liabilities; calculation of retirement pay liability and other provisions. Other than the financial assets carried at fair value, the financial statements are prepared based on cost principle.

Previously, the financial statements of the Company as at and for the year ended December 31, 2007 have been prepared in accordance with the Communiqué Serial XI, No: 25 'Communiqué on Accounting Standards in Capital Markets'. In this Communiqué, the Capital Markets Board (CMB) stated that alternatively, the application of accounting standards prescribed by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will be also considered to be compliant with the CMB Accounting Standards. Accordingly, the consolidated financial statements of the Company as at and for the year ended December 31, 2007 had been prepared in accordance with the alternative methods allowed by the CMB.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Serial XI, No:29, published in the Official Gazette dated 9 April 2008, effective from January 1, 2008, listed companies are required to prepare their financial statements in conformity with International Accounting/Financial Reporting Standards (IAS / IFRS) as prescribed in the CMB Communiqué. Since there are not any differences between the accounting policies of the alternative method of Communiqué Serial XI, No:25 (previously applied) and the Communiqué Serial XI, No:29, there is no change in the accounting policies applied in preparation of the financial statements of the current and prior period.

The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué Serial XI, No: 29 declared by the CMB on April 9, 2008.

Functional and presentation currency

Effective from January 1, 2005 concurrent with the removal of six zero digits, the new currency unit of Turkey was introduced as New Turkish Lira (YTL). The Government resolved to remove the "New" reference in the local currency unit effective from January 1, 2009. Accordingly the Company's figures at financial statements as of December 31, 2008 and comparative figures for prior year have also been presented in TL, using the conversion rate of YTL 1 = TL 1.

Functional and presentation currency of the Company is Turkish Lira (TL).

Based on the decision of CMB dated March 17, 2005 and numbered 11/367, since the objective conditions for the restatement in hyperinflationary economies was no longer available at that time, Turkey came off hyperinflationary status and the financial statements were only restated until December 31, 2004 in accordance with IAS 29 ("Financial Reporting in Hyperinflationary Economies"). Therefore, the non-monetary assets and liabilities and components of shareholders' equity including share capital reported in the balance sheet as of December 31, 2008 are derived by indexing the additions occurred until December 31, 2004 to December 31, 2004 and carrying the additions after this date with their nominal amounts.

Reclassifications made to 2007 financial statements
In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Serial XI, No:29, The Company has made certain reclassifications in the consolidated balance sheet and income statement as of December 31, 2007, respectively to conform to the consolidated financial statements as of December 31, 2008. The reclassifications, to be comparable with the current year financial results, are as follow:

a)The portion of "Receivables from related parties" account amounting to TL 3.175.043 is presented in "Trade receivables" account, amounting to TL 370.482 is presented in "Other receivables" account. Furthermore, the portion of "Payables to related parties" amounting to TL 1.509.754 is presented in "Trade payables" account and amounting to TL 1.607.290 is presented in "Other payables" account.

b)Advances given amounting to TL 7.050 which is presented in "Trade receivables" account is presented in "Other receivables" account.

c)Deposits and guarantees taken amounting to TL 4.308.113 which is presented in "Trade payables" account is presented in "Other payables" account and "Advances received" amounting to TL 1.326.436 is presented in "Other payables" account.

d)Advances given amounting to TL 1.626.632 which is presented in inventories is presented in "Other currents assets", and advances given amounting to TL 4.346.346 which is presented in "Property, plant and equipment" account is presented in "Other non-current assets" account.

e)Seniority incentive premium amounting to TL 564.474 which is presented in "Short-term provisions" account, seniority incentive premium amounting to TL 1.124.567 which is presented in "Long-term provisions" account and reserve for retirement pay amounting to TL 11.397.006 are presented in "Reserve for employee benefits" account in non-current liabilities.

f)Income tax payable amounting to TL 4.901.002 that is presented in "Short-term provisions" is presented separately as "Income tax payable".

g)Minority interest is presented in shareholders' equity, extraordinary reserves amounting to TL 21.770.209 is presented in "Retained earnings" account, other reserves amounting to TL 92.178.419 is presented in "Value increase fund" account.

h)Foreign exchange gains amounting to TL 50.844.505, dividend income amounting to TL 11.450.817, gain on sales of financial asset amounting to TL 4.062.250, interest income amounting to TL 8.945.698, rediscount income amounting to TL 308.571, maturity difference income amounting to TL 777.866 that are presented in "Other operating income" account are presented in "Financial income" account.

i)Foreign exchange losses amounting to TL 15.432.773, rediscount expense amounting to TL 8.871.136 that are presented in "Other operating expense" account is presented in 'Financial expense' account.

Change in accounting policies
The new standards which are effective as of January 1, 2008 and changes and interpretations of current standards are as follows:

IFRIC 11, IFRS 2 'Company and Treasury Share Transactions' (effective for annual periods beginning on or after March 1, 2007)

This interpretation provides guidance on share-based payment involving an entity's own equity instruments in which the entity chooses or is required to buy its own equity instruments to settle the share-based payment obligation. This interpretation also covers parent's share based payments to its subsidiary's employees.

IFRIC 12 'Service Concession Arrangements' (effective for annual periods beginning on or after January 1, 2008)

This interpretation outlines an approach to account for contractual (service concession) arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and/or an intangible asset.

IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (effective for annual periods beginning on or after January 1, 2008)

IFRIC 14, "IAS 19 addresses the interaction between a minimum funding requirement and the limit placed by IAS 19 Employee Benefits on the measurement of the defined benefit asset or liability. Furthermore, this interpretation clarifies the effect of minimum funding requirement on test of asset ceiling and standardizes the applications in use

The amendment to IAS 39, issued in October 2008, permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category to the available-for-sale or held-to-maturity category in particular circumstances. The amendment also permits an entity to transfer from the fair value through profit or loss, or available-for-sale categories, to the loans and receivables category a financial asset that meets the definition of loans and receivables, if the entity has the intention and ability to hold that financial asset for the foreseeable future. The effective date of the amendment is July 1, 2008 and reclassifications before that date are not permitted.

Such new standard, amendments and interpretations to existing standards did not have any material effect on the consolidated financial statements, since they are not relevant to the Company's operations.

The standards which are published but are not effective and are not early adopted by the Group as of the date of authorization of the financial statements, and the changes and interpretations to the current standards are as follows :

Amendment to IAS 23 'Borrowing costs' (effective for annual periods beginning on or after January 1, 2009)

The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalized. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements of the Standard, the Company will adopt this as a prospective change. Accordingly, borrowing costs will be capitalized on qualifying assets with a commencement date after January 1, 2009. No changes will be made for borrowing costs incurred to this date that have been expensed. The Company expects that this interpretation will have no impact on the Company's financial statements.

IFRS 8 'Operating Segments' (effective for annual periods beginning on or after January 1, 2009)

IFRS 8 replaces IAS 14 'Segment Reporting' and adopts a management-based approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Company analysis the effect of the related amendment on the Company.

IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items and Amendments to IFRS 7 'Financial Instruments: Disclosures (effective for annual periods beginning on or after July 1, 2008)

IFRIC 13, "Customer Loyalty Programmes", (effective for annual periods beginning on or after July 1, 2008)

IFRIC 13 requires customer loyalty award credits to be accounted for as a separate component of the sales transaction. They are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. The Company expects that this interpretation will have no impact on the Company's financial statements, since the Company does not have such an implementation.

Amendments to IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after January 1, 2009)

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with "other comprehensive income"; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Company will make the necessary changes to the presentation of its financial statements in 2009.

Amendments to IFRS 2 'Share Based Payment' – Vesting Conditions and Cancellations (effective for annual periods beginning on or after January 1, 2009)

The amendment clarifies two issues: The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Company expects that IFRS 2 will have no impact on the Company's financial statements.

IFRS 3, "Business Combinations" (Revised) and IAS 27, "Consolidated and Separate Financial Statements" (Amended) (effective for annual periods beginning on or after July 1, 2009)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

Amendments to IAS 32 and IAS 1: "Puttable Financial Instruments and Obligations Arising on Liquidation" (Effective for fiscal periods beginning of after January 1, 2009).

The change in IAS 32 considers that some puttable financial instruments and financial instruments that impose on the issuer an obligation to deliver a pro-rata share of net assets of the entity only on liquidation are equity. The change in IAS 1 recommends that the puttable financial instruments should be described and explained in detail.

IFRS 1, "Presentation of Financial Statements" and IAS 27 Consolidated and Separate Financial Statements (revised) (Effective for fiscal periods beginning or after January 1, 2009).

The amendment allows an entity to determine the "cost" of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognized in the income statement in the separate financial statements. The revision to IAS 27 will have to be applied prospectively.

IFRIC 15, "Agreements for the Construction of Real Estate", (Effective for fiscal periods beginning on or after January 1, 2009).

IFRIC 15, "Agreements for the Construction of Real Estate", was issued on July 3, 2008 and is effective for annual periods beginning on or after January 1, 2009 and must be applied retrospectively. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognized.

IFRIC 16, "Hedges of a Net Investment in a Foreign Operation", (Effective for fiscal periods beginning on or after October 1, 2008).

IFRIC 16, "Hedges of a Net Investment in a Foreign Operation", was issued on July 3, 2008 and can be applied prospectively. IFRIC 16 clarifies three main issues, namely: A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. This interpretation will have no impact on the Company's financial statements.

IFRIC 17, "Distributions of Non-cash Assets to Owners" (Effective for fiscal periods beginning on or after July 1, 2009 and it will be applied prospectively). The standard applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of receiving non-cash assets or cash. The Company evaluates the effect of interpretation on the financial statements.

IFRIC 18, "Transfer of Assets from Customers", Effective for fiscal periods beginning on or after July 1, 2009). The Interpretation specifies how the assets such as property, plant and equipment or cash for the construction or acquisition of such items received from the customers should be accounted for. The Company evaluates the effect of interpretation on the financial statements.

Improvements to IFRSs
In May 2008, the International Accounting Standards Board (IASB) issued its first set of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The Company has not yet adopted the following amendments and anticipates that these changes will have no material effect on the financial statements.

IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", when a subsidiary is held for sale, all of its assets and liabilities will be classified as held for sale under IFRS 5, even when the entity retains a non-controlling interest in the subsidiary after the sale.

IAS 1 "Presentation of Financial Statements", assets and liabilities classified as held for trading are not automatically classified as current in the balance sheet.

IAS 16, "Property, Plant and Equipment", items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

IAS 19, "Employee Benefits", revised the definition of 'past service costs', 'return on plan assets' and 'short-term' and 'other long-term' employee benefits. Amendment to plans that result in a reduction in benefits related to future services are accounted for as curtailment. The reference to the recognition of contingent liabilities is deleted to ensure consistency with IAS 37.

IAS 20, "Accounting for Government Grants and Disclosures of Government Assistance", loans granted in the future with no or low interest rates will not be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is accounted for as government grant. Also, revised various terms used to be consistent with other IFRS.

IAS 23, "Borrowing Costs", the definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one - the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.

IAS 27, "Consolidated and Separate Financial Statement", when a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

IAS 28, "Investment in Associates", if an associate is accounted for a fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significantly restrictions on the ability of the associate to transfer funds to entity in the form of cash o repayment of loans applies. An investment in an associate is a single asset for the purpose of conducting the impairment test. Therefore, any impairment test is not separately allocated to the goodwill included in the investment balance.

IAS 29, "Financial Reporting in Hyperinflationary Economies", revised the reference to the exception to measure assets and liabilities at historical costs, such that it notes property, plant and equipment as being example, rather than implying that it is a definitive list. Also, revised various terms used to be consistent with other IFRS.

IAS 34, "Interim Financial Reporting", earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

IAS 31, "Interest in Joint ventures, if a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.

IAS 36, "Impairment of Assets", when discounted cash flows are used to estimate "fair value less cost to sell" additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate "value in use".

IAS 38, "Intangible Assets", expenditure on advertising and promotional activities is recognized as an expense when the Company either has the right to access the goods or has received the service.

IFRS 7, "Financial Instruments" Disclosures: Removal of the reference to 'total interest income' as a component of finance costs.

IAS 8, "Accounting Policies, Change in Accounting Estimates and Errors", clarification that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

IAS 10, "Events after the Reporting Period", clarification that dividends declared after the end of the reporting period are not obligations.

IAS 16 "Property, Plant and Equipment", replace the term "net selling price" with "fair value less costs to sell". Items of property, plant and equipment held for rental is classified as inventories if they are routinely sold in the ordinary course of business after rental.

IAS 18, "Revenue", replacement of the term 'direct costs' with 'transaction costs' as defined in IAS 39.

IAS 39, "Financial Instruments: Recognition and Measurement", changes in circumstances relating to derivatives are not reclassification and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Removed the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. Require the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting.

IAS 40, "Investment Property", revision of the scope such that property under construction or development for future use as an investment property is classified as investment property. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. Also, revised of the conditions for a voluntary change in accounting policy to be consistent with IAS 8 and clarified that the carrying amount of investment property held under lease is the valuation obtained increased by any recognized liability.

IAS 41, "Agriculture", removed the reference to the use of a pre-tax discount rate to determine fair value. Removed the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Also, replaced of the term 'point-of-sale costs' with 'costs to sell'.

The Company management is considering the affects of the first time application of these amendments to its financial statements.

Use of estimates
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

The source of the risk carrying estimates, assumptions and calculation in definitions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are as follows:

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

a) Reserve for retirement pay liability is determined by using actuarial assumptions such as discount rates, future salary increase and employee's turnover rates. The estimations include significant uncertainties due to their long-term nature. The details about reserve for employee benefits are provided in Note 24.

b) Provision for doubtful receivables is an estimated amount that management believes to reflect possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered. The provision for doubtful receivables are mentioned in the Note 10.

c) The Company has made certain important assumptions based on experiences of technical personnel in determining useful economic life of mainly related to buildings and machineries.

d) In determining of provision for litigations, the Company considers the probability of legal cases to be resulted against the Company and in case it is resulted against the Company considers its consequences based on the assessments of legal advisor. The Company management makes its best estimates using the available data are provided in Note 22.

e) During the assessment of the reserve for obsolete inventories, inventories are physically and historically analyzed, usefulness of the inventories are determined based on the view of the technical personnel and if it is necessary, allowance is booked. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories. As a result of this, the inventories with the net realizable values below the costs are written down as disclosed in the Note 13.

f) The Company makes its impairment analysis on assets by using discounted cash flows. In these analyses, there are certain assumptions about discount rates used and Company's future operations. As a result of these analyses, the Company's management has concluded that there is no impairment in the non-financial assets.

g)The Company has made assumptions based on views of the technical personnel in the calculation of provision for recultivation of exploitation lands. As a result of these analyses, assessments of the provision for recultivation of exploitation lands are provided in Note 22.

Basis of consolidation
The consolidated financial statements comprise the financial statements of Akçansa and Karçimsa in which Akçansa has a shareholding interest of 50.99%. Subsidiary is consolidated from the date on which control is transferred to Akçansa until the date on which the control is transferred out of Akçansa.

As stated above, the consolidated financial statements consist of the financial statements of Akçansa and its subsidiary which it controls. This control is normally evidenced when Akçansa owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The equity and net income (loss) attributable to minority shareholders' interests are shown separately in the balance sheet and income statement, respectively.

Subsidiary is consolidated by using full consolidation method, accordingly the registered subsidiary values are netted off with the related equity items. The equity and net income attributable to minority shareholders' are shown as minority interest in consolidate balance sheet and income statement

Balances and transactions between Akçansa and its subsidiary, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances.

(Currency – Turkish Lira (TL) unless otherwise indicated)

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

Cash and cash equivalents
For the purposes of the presentation of consolidated cash flow statement, cash and cash equivalents comprise cash on hand, cash in banks, checks readily convertible to known amounts of cash and short-term deposits with an original maturity of three months or less.

Cash and cash equivalents are carried at cost plus its interest income accrual.

Trade and other receivables
Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts and an allowance for unearned interest income calculated using the effective interest rate method (interest rates are 24% for TL, 2,003% for USD and 3,058% for EUR) (December 31, 2007 – 20,06% for TL, 4,63% for USD and 4,29% for EUR).

Notes and post-dated checks which are classified within trade receivables are held to maturity and are measured at amortized cost using the effective interest rate method.

The allowance for doubtful receivables is established through a provision charged to expenses. The allowance is an estimated amount that management believes to be adequate to absorb possible future losses on existing receivables that may become uncollectible due to current economic conditions and inherent risks in the receivables.

Inventories
Inventories are valued at the lower of cost or net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials - purchase cost on a monthly average basis

Finished goods and work-in-process - cost includes direct material and labor cpst, the applicable allocation of fixed and variable overhead costs (considering normal operating capacity) on the basis of monthly average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Financial investments
All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment and as of December 31, 2008 and 2007, all financial assets are "available for sale assets".

After initial recognition, investments which are classified as available-for-sale are measured at fair value. Interest earned on available for sale investments is disclosed as interest income. Gains or losses on available-for-sale investments are recognized as a separate component of equity, "Financial assets value increase fund", until the investment is sold, collected or otherwise disposed, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously disclosed in equity is associated to income and expense accounts.

For investments that are actively traded on Istanbul Stock Exchange, fair value is determined based on the Stock Exchange quoted market bid prices at closing on the balance sheet date. When there is no quoted market price and reasonable estimate of the fair value could not be determined since other methods are inappropriate and impractical, the investments are stated at their costs.

Property, plant and equipment
The initial cost of property, plant and equipment comprises its purchase price and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not subject to depreciation except for the exploitation land. Exploitation land is depreciated based on the ratio of depletion of mining reserves to total reserves.

Depreciation is calculated on all property, plant and equipment on a straight-line basis over the estimated useful life of the asset as follows:

Land improvements and buildings	20-50 years
Machinery and equipment	5-20 years
Furniture and fixtures	5-10 years
Motor vehicles	5 years
Leasehold Improvements	5-47 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

Intangible assets
Intangible assets which mainly comprise of software and mining rights are measured at cost. Intangible assets are amortized on a straight line basis over the best estimate of their useful lives, excluding mining rights. Mining rights are amortized based on the ratio of depletion of mining reserves to total reserves starting from 2008. Had the mining reserves were amortized based on the old method, current year charge of amortization expense would have been lower by TL 1.566.098.

The carrying values of intangible assets are reviewed for impairment when there is any event or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill
Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the acquired business or assets, at the date of acquisition.

In accordance with IFRS 3 "Business Combinations", the Company does not amortize goodwill, but the goodwill arising from acquisitions is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As explained in detail in Note 20, the Company acquired Ladik cement plant from Türkerler İnşaat Turizm Ticaret ve Sanayi AŞ on May 1, 2007. In line with IFRS 3 "Business Combinations", the Company recorded the identifiable assets and liabilities acquired at the date of acquisition at their fair value and the difference between the acquisition cost and the fair value of the identifiable assets and liabilities is presented as goodwill in financial statements.

In accordance with IFRS 3, the fair value of the identifiable assets and liabilities are determined as follows:

Land, building, machinery, equipments, furnitures, fixtures and intangible assets (mainly mining rights);

-By using the fair value at the acquisition date determined by an independent expert.

Inventories

-By using the cost stated on the invoice assuming that the sales transaction between the companies are made on arm's length basis.

Employee termination benefit

-By using the "Projected Unit Credit Method" for the retirement pay liability of the employees worked in the acquired factory.

Deferred tax

-Calculated on the temporary difference between the local tax calculation base of the related identifiable asset and liabilities and their fair values.

Impairment on assets
At each balance sheet date, the Company assesses whether there is any indication that book value of tangible and intangible assets, calculated by acquisition cost less accumulative amortization, is impaired. When an indication of impairment exists, the Company estimates the recoverable amount of such assets. When individual recoverable value of assets can not be measured, recoverable value of cash generating unit of that asset is measured.

Recoverable amount is the higher of value in use or fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit by using discount rates before taxes that reflects risks related with that asset. The main estimates that are used during these analysis comprise expected inflation rates, expected increase in sales and cost of sales, expected changes in export-domestic market composition and expected growth rate of the country.

When recoverable amount of an asset (or a cash generating unit) is lower than its carrying value, the asset's carrying value is reduced to its recoverable amount. An impairment loss is recognized immediately in income statement.

Subsequent increase in the asset's (or cash generating unit) recoverable amount due to cancellation of previously impairment loss recognized cannot be higher than the previously carrying value (net of depreciation) in case had the impairment loss was not recognized. Reversal of impairment is recognized as income in the financial statements.

Foreign currency transactions
Transactions in foreign currencies are translated to TL by the exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as of December 31, 2008 are translated at the Central Bank buying rate of exchange ruling at the balance sheet date. The foreign currency income or expenses incurred from the translation of foreign currency denominated transaction is reflected within the statement of income in the related period.

Foreign currency translation rates used by the Company as of respective year-ends are as follows:

Date	**TL/USD**	**TL/EUR**
Buying rates		
December 31, 2008	1,5123	2,1408
December 31, 2007	1,1647	1,7102

Bank borrowings
All borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

Trade payables and other payables
Trade and other payables are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Interest rates used when determining the amortized cost are 24% for TL (December 31, 2007 – 20,06%), 2,003% for USD (December 31, 2007 – 4,63%) and 3,058% for EUR (December 31, 2007 – 4,29%).

Provisions, contingent assets and liabilities

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent assets and liabilities
Contingent liabilities are not recognized in the financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements, but disclosed when an inflow of economic benefits is probable.

Income tax
Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date

Employee benefits/ retirement pay liability

a) Defined benefit plan:
In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

As indicated in note 24 in detail, in the accompanying financial statements, the Company has reflected a liability using the "Projected Unit Credit Method" based on the actuarial valuation performed by independent actuaries. The employee termination benefits are discounted to the present value of the estimated future cash outflows using the interest rate estimate of qualified actuaries.

In the consolidated balance sheets, employee termination benefits are reflected under non-current liabilities as separate account.

(b) Defined contribution plans:
The Company pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. There are contributions amounting to TL 6.800.097 as of December 31, 2007 (December 31, 2007 – TL 5.901.408).

Leases

Finance lease
Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

Operating lease
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Related parties
A party is related to an entity if:

(a) Directly, or indirectly through one or more intermediaries, the party:
  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries;
  (ii) has an interest in the entity that gives it significant influence over the entity; or
  (ii) has joint control over the entity;
(b) the party is an associate of the entity;
(c) the party is a joint venture in which the entity is a venturer;
(d) the party is a member of the key management personnel of the entity or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
or
(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenues are stated net of discounts, value added and sales taxes. The following specific recognition criteria must also be met before revenue is recognized:

Sales of goods
Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer at the invoiced values and the amount of revenue can be measured reliably. Net sales represent the invoiced value of goods shipped net of sales discounts and commission.

Rendering of services
Revenue from rendering services is recognized by reference to the stage of completion when it can be measured reliably. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

Rent revenue
Revenue is recognized monthly when the rent revenue has been earned

Interest
Revenue is recognized as the interest accrues unless collectibility is in doubt.

Dividends
Revenue is recognized when the shareholders' right to receive the payment is established.

Borrowing costs
Borrowing costs are expensed as incurred.

Earnings per share
Basic earning per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period.

In Turkey, companies can increase their share capital by making distribution of free shares to existing shareholders from various internal resources. For the purpose of the EPS calculation such share issues are regarded as issued stock. Accordingly the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares.

Subsequent events
Post period-end events that provide additional information about the Company's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes when material.

Trade and settlement date accounting
All "regular way" purchases and sales of financial assets are recognized on the trade date, in other words, the date the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Recognition and de-recognition of financial instruments
The Company recognizes a financial asset or financial liability in its balance sheet when and only when it becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion of financial asset. The Company derecognizes a financial liability when liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired.

Segment information
The Company realizes majority of its sales in Turkey. Since there are not various product types and geographic locations which require segment reporting, the Company's management does not perform segment reporting.

(Currency – Turkish Lira (TL) unless otherwise indicated)

3. Business combinations

All transactions related with fair value determination of assets and liabilities of Ladik cement plant which was purchased from Türkerler İnşaat Turizm Madencilik A.Ş on May 1, 2007 was finalized in accordance with International Financial Reporting Standards 3 "Business Combinations" (Note 20). And final results after adjustments were reflected in its financial statements accordingly.

4. Joint ventures

The Company does not have any joint ventures as of December 31, 2008 and 2007.

5. Segment reporting

None.

6. Cash and cash equivalents

	December 31, 2008	December 31, 2007
Bank accounts (including short-term time deposits)	27.521.294	20.877.309
Checks with maturities until year end	1.790.581	1.364.550
Cash on hand	1.024	12.191
Total	**29.312.899**	**22.254.050**

Time deposits are made for varying periods of between 1 and 3 days (December 31, 2007 – between 2 and 88 days) for TL denominated funds, between 1 day and 10 days (December 31, 2007 - 90 days) for the USD denominated funds depending on the immediate cash requirements of the Company. TL denominated time deposits earns interest at 15% (December 31, 2007 - 16,70% - 17,25%), USD denominated time deposits earns interest at 4,40% (December 31, 2007 - 5,30%).

As of December 31, 2008 and 2007, there is not any blockage on cash and cash equivalents

7. Financial investments

	December 31, 2008		December 31, 2007	
	Percentage of Ownership (%)	Amount	Percentage of Ownership (%)	Amount
Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi (Çimsa)	8,98	37.119.513	8,98	104.929.343
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	15	22.662.688	15	22.662.688
Eterpark Endüstri Ürünleri İmalat Ticaret İthalat İhracat Pazarlama A.Ş. (Eterpark)	8,73	2.686.527	8,73	2.686.527
Arpaş Ambarlı Römerkaj Pilataj Ticaret A.Ş. (Arpaş)	16	841.399	16	841.399
Lafarge Aslan Çimento A.Ş. (Lafarge)	0,05	168.721	0,05	239.159
Altaş Ambarlı Liman Tesisleri A.Ş. (Altaş)	12,25	201.910	12,25	201.910
		63.680.758		**131.561.026**

Fair values of Çimsa and Lafarge whose shares are traded on the Istanbul Stock Exchange (ISE) are determined by reference to ISE quoted market bid price at the close of business at December 31, 2008 and 2007. Net unrealized loss recognized during the current period amounting to a total of TL 67.880.268 (2007 – TL 5.434.181 expense) was also recorded in equity.

The shares of Eterpark and Liman İşletmeleri are not quoted on a stock exchange. These two companies operate ports and the Company uses their ports and land to transport its products through vessels. The fair value of these investments are determined in reference to the present value of all the future benefits that the vessel transportations will provide over truck transportations. The Company reviews the present value of future benefits that will be received at every period-end and carries the restated cost (according to inflation accounting until the end of 2004) after determining that the carrying value approximates the fair value for these companies.

Since the reasonable calculation of fair value of Arpaş and Altaş is not possible, these financial assets are carried at their costs (inflation-restated until the end of 2004) in the balance sheet.

8. Financial liabilities

Short-term financial liabilities

December 31, 2008	Currency	Original amount	Maturity	Balance in TL
Unsecured borrowings	USD	25.669.302	April 6, 2009	38.819.686
	USD	25.681.992	May 11, 2009	38.838.877
	TL (*)	7.333.667	-	7.333.667
Current portion of long-term borrowings	USD	22.791.968	May 2, 2009	34.468.293
				119.460.523

December 31, 2007	Currency	Original amount	Maturity	Balance in TL
Unsecured borrowings	USD	51.955.603	May 8, 2008	60.512.691
	TL	789.857(*)		789.857
				61.302.548

(*)Short-term borrowings with zero interest rate that are used by temporary purpose.

Long-term financial liabilities

December 31, 2008	Currency	Original balance	Maturity	Balance in TL
Unsecured borrowings	USD	51.176.572	May 2, 2013	77.394.330
	USD	51.147.883	May 2, 2013	77.350.944
Current portion of long-term borrowings *	USD	(22.791.968)	May 2, 2009	(34.468.293)
				120.276.981

December 31, 2007	Currency	balance	Maturity	Original Balance in TL
Unsecured borrowings	USD	52.158.103	May 2, 2013	60.442.884
	USD	52.158.103	May 2, 2013	60.442.884
				120.885.768

(*)Current portion of long-term borrowings and their interest are presented in short-term financial liabilities.

As of December 31, 2008, the Company borrowed loans amounting to USD 150.000.000 from various banks. The interest payments of USD 100.000.000 portion of these loans are made annually and its principal payments will be made in four equal installments with no principal payment in first two years. The principal and the interest payments of the remaining short-term loans which is USD 50.000.000 are to be paid at its maturity date.

Repayment schedule of the long-term borrowings is as follows:

	December 31, 2008	December 31, 2007
Less than 1 year	34.468.293	-
1-5 years	120.276.981	97.591.768
More than 5 years	-	23.294.000
Total long-term financial liabilities	**154.745.274**	**120.885.768**

Finance lease commitments

a) Current financial lease payables (net)
As of December 31, 2008, the Company signed twenty financial lease contract related with machinery, equipment and vehicle purchases. Payments of the financial leases will be made on a monthly basis starting from February 2007 until December 2011. As of December 2008, the Company has short-term financial lease obligations with the amount of TL 5.421.792 (EUR 2.408.140 and USD 176.186) (2007 – TL 4.244.133 (EUR 2.481.659)).

Besides, there is another financial lease contract with the amount of USD 900.000, it is repayable in monthly equal installments of USD 10,000, commencing in July 2007 until September 2014. As of December 31, 2008, the Company has short-term USD financial lease obligations with the amount of TL 181.476 (2007 – TL 139.764).

b) Non-current financial lease payables (net)
As of December 31, 2008, the long-term portion of financial lease transactions is TL 2.908.080 (EUR 1.358.408) (December 31, 2007 – TL 5.196.485 (EUR 3.038.524)).

As of December 31, 2008, the long-term portion of finance lease transactions with the amount of USD 900.000 as mentioned above is TL 862.011 (2007 – TL 803.643).

9. Other financial liabilities

The Company does not have any other financial liabilities as of December 31, 2008 and 2007.

(Currency – Turkish Lira (TL) unless otherwise indicated)

10. Trade receivables and payables

Trade receivables

Short-term trade receivables

	December 31, 2008	December 31, 2007
Trade receivables, net	66.090.332	72.704.010
Notes receivables and post-dated checks	51.399.164	31.277.851
Receivables from shareholders (Note 37)	35.937	11.241
Receivables from associates (Note 37)	13	18.913
Receivables from other related parties (Note 37)	1.357.300	3.144.889
Doubtful receivables	2.481.136	2.237.916
Provision for doubtful receivables (-)	(2.481.136)	(2.237.916)
	118.882.746	**107.156.904**

The movement of the allowance for doubtful receivables for the year ended December 31, 2008 and 2007 are as follows:

	December 31, 2008	December 31, 2007
January 1	2.237.916	1.732.121
Additions (Note 31)	1.221.949	548.660
Collections (Note 31)	(978.729)	(42.865)
	2.481.136	**2.237.916**

Collection term of trade receivables vary depending upon the type of product and the agreement and the average maturity of trade receivables is 48 days for cement and 67 days for ready-mixed concrete.

As of December 31, 2008, the maturity analysis of trade receivables is as follows :

		Past due but not impaired					
	Neither past due nor impaired	Less than one month	1-2 months	2-3 months	3-4 months	More than 4 months	Total
December 31, 2008	**60.554.428**	**4.553.895**	**667.311**	**71.618**	**59.716**	**183.364**	**66.090.332**
December 31, 2007	68.293.453	3.532.816	388.032	180.412	11	309.286	72.704.010

Trade payables

Short-term trade payables

	December 31, 2008	December 31, 2007
Trade payables, net	52.499.886	51.951.563
Payables to associates (Note 37)	265.508	131.960
Payables to other related parties (Note 37)	1.132.087	1.377.244
Payables to shareholders (Note 37)	57.950	550
	53.955.431	**53.461.317**

The average payment period of trade payables is between 30 to 45 days.

11. Other receivables and payables

Other current receivables

	December 31, 2008	December 31, 2007
Prepaid taxes	3.877.329	-
Deferred VAT	1.580.551	22.703.343
VAT to be claimed from tax office	1.538.506	1.704.294
Advances given to suppliers	662.363	1.611.595
Receivables from personnel (Note 37)	674.578	370.482
Deposits and guarantees given	9.550	7.050
Other	255.943	101.851
	8.598.820	**26.498.615**

Other current payablesr

	December 31, 2008	December 31, 2007
Advances taken	2.665.968	1.326.436
Taxes and funds payable	1.827.015	2.223.083
Deposits and guarantees taken	1.601.393	4.308.113
Social security premiums payable	1.169.075	1.165.343
Dividend payables to shareholders (Note 37)	843.233	660.541
Other liabilities payable	662.213	572.821
Payables to personnel (Note 37)	626.635	946.749
Deferred VAT payable	180.419	850.989
Other various payables	15.881	16.063
	9.591.832	**12.070.138**

Other long-term receivables

	December 31, 2008	December 31, 2007
Deposits and guarantees given	20.690	20.690
	20.690	**20.690**

12. Receivables and payables from financial sector operations

The Company does not have any receivables and payables from financial sector operations as of December 31, 2008 and 2007.

13. Inventories

	December 31, 2008	December 31, 2007
Raw materials, net	63.475.376	40.409.466
Work-in-process	13.112.982	8.138.443
Finished goods	10.664.904	6.284.512
Goods in transit	1.854.614	8.763.780
	89.107.876	**63.596.201**

The Company has booked impairment for inventories with the amount of TL 811.000 in 2008.

14. Biological assets

The Company does not have any biological assets as of December 31, 2008 and 2007.

15. Assets related with construction projects in progress

The Company does not have any receivables and payables related with construction projects in progress as of December 31, 2008 and 2007.

16. Investments accounted under equity method

The Company does not have any investments accounted under equity method as of December 31, 2008 and 2007.

17. Investment properties

The Company does not have any investment properties as of December 31, 2008 and 2007.

(Currency – Turkish Lira (TL) unless otherwise indicated)

18. Property, plant and equipment

	January 1, 2008	Additions	Transfers (*)	Disposals	December 31, 2008
Cost					
Land and land improvements	128.721.761	-	2.847.622	-	131.569.383
Buildings	234.416.545	-	15.772.774	-	250.189.319
Machinery and equipment	911.698.248	6.406.516	152.541.918	(572.284)	1.070.074.398
Furniture, fixtures and motor vehicles	65.898.735	125.755	3.737.408	(4.857.588)	64.904.310
Leasehold improvements	42.979.675	-	1.158.031	(212.234)	43.925.472
Construction-in-progress	129.491.836	54.186.370	(177.192.965)	-	6.485.241
Total	**1.513.206.800**	**60.718.641**	**(1.135.212)**	**(5.642.106)**	**1.567.148.123**
Less: Accumulated depreciation					
Land and land improvements	57.405.992	3.679.888	-	-	61.085.880
Buildings	72.388.722	5.311.747	-	-	77.700.469
Machinery and equipment	673.363.224	36.804.445	-	(546.862)	709.620.807
Furniture, fixtures and motor vehicles	43.029.877	6.839.167	-	(4.610.281)	45.258.763
Leasehold improvements	24.732.469	1.969.411	-	(212.234)	26.489.646
Total	**870.920.284**	**54.604.658**	**-**	**(5.369.377)**	**920.155.565**
Property, plant and equipment, net	**642.286.516**				**646.992.558**

(*)Transfers amounting to TL 1.135.212 (2007 – TL 855.071) from construction-in-progress were made to intangible assets.

	January 1, 2007	Additions	Transfers (*)	Disposals	December 31, 2007
Cost					
Land and land improvements	111.967.979	9.260.988	7.492.794	-	128.721.761
Buildings	169.309.041	17.502.839	47.604.665	-	234.416.545
Machinery and equipment	825.893.183	39.040.944	55.412.089	(8.647.968)	911.698.248
Furniture, fixtures and motor vehicles	59.531.576	500.269	10.059.285	(4.192.395)	65.898.735
Leasehold improvements	42.836.978	-	2.314.020	(2.171.323)	42.979.675
Construction-in-progress	39.591.797	213.637.963	(123.737.924)	-	129.491.836
Total	**1.249.130.554**	**279.943.003**	**(855.071)**	**(15.011.686)**	**1.513.206.800**
Less: Accumulated depreciation					
Land and land improvements	54.244.917	3.161.075	-	-	57.405.992
Buildings	68.451.290	3.937.432	-	-	72.388.722
Machinery and equipment	656.370.520	25.193.480	-	(8.200.776)	673.363.224
Furniture, fixtures and motor vehicles	40.834.456	6.236.208	-	(4.040.787)	43.029.877
Leasehold improvements	25.180.454	1.723.337	-	(2.171.322)	24.732.469
Total	**845.081.637**	**40.251.532**	**-**	**(14.412.885)**	**870.920.284**
Property, plant and equipment, net	**404.048.917**				**642.286.516**

As of December 31, 2008, the total cost of the tangible assets purchased through financial leases is TL 21.849.223 (2007 – TL 19.924.333), and the total accumulated amortization is TL 5.925.808 (December 31, 2007 – TL 3.211.546).

In addition, the total amount of property, plant and equipment and intangible asset purchases realized through financial leases in 2008 is TL 1.953.611(December 31, 2007 – TL 7.884.878).

As of December 31, 2007, total additions amounting to TL 66.086.751 which includes additions to land and land improvements with the amount of TL 9.260.988, buildings with the amount of TL 17.502.839, machinery and equipment with the amount of TL 38.990.263 and furniture, fixtures and motor vehicles with the amount of TL 332.661 are related with Ladik cement plant acquisitions.

As of December 31, 2008, construction in process is mainly related with the 2nd clinker line in Çanakkale and the grinding machines.

Based on the resolution of the board of directors taken September 9, 2005, no : 560, the Company's management decided to build new clinker facility amounting to EUR 112 million in order to increase its clinker capacity by 2 million tones (100% increase) in Çanakkale Cement Plant and its investment has been completed as of December 31, 2008.

As of December 31, 2008, total gross value of property, plant and equipment and intangible assets which are fully depreciated/amortized but are still in use is TL 520.220.885 (2007 – TL 307.234.782).

Pledge and mortgages on assets

There are no pledges or mortgages on Company's property, plant and equipments as of December 31, 2087 and 2007.

19. Intangible assets

	January 1, 2008	Additions / charge	Transfers from construction-in-progress	Disposals	December 31, 2008
Cost					
Rights and other intangibles	46.137.414	-	1.135.212	-	47.272.626 (**)
Less: Accumulated amortization					
Rights and other intangibles	11.763.912	1.246.157	-	-	13.010.069
Intangible assets, net	**34.373.502**		**1.135.212**		**34.262.557**

	January 1, 2007	Additions / charge	Transfers from construction-in-progress	Disposals	December 31, 2007
Cost					
Rights and other intangibles	24.582.775	20.711.679 (*)	855.071	(12.111)	46.137.414
Less: Accumulated amortization					
Rights and other intangibles	9.438.544	2.337.479 (*)	-	(12.111)	11.763.912
Intangible assets, net	**15.144.231**				**34.373.502**

Rights and other intangibles mainly consist of the rights, computer software and mining rights.

(*) Cost amounting to TL 20.710.668 and accumulated amortization amounting to TL 1.074.066 includes mining rights and software acquired during the acquisition of Ladik cement plant.
(**) As of December 31, 2008, intangible asset amounting to TL 38.730.003 (2007 – TL 38.602.285) includes mining rights.

20. Goodwill

Fair value determination of the Ladik cement plant's assets and liabilities which were acquired on May 1, 2007 was finalized and as a result of this determination, market values and book (tax) values of those assets and liabilities are as follows:

- Ladik cement factory

	Fair value	Book value
Inventories	10.129.424	10.129.424
Property, plant and equipment	66.086.751	81.043.966
Intangible assets	20.710.668	4.781.762
Retirement pay liability (Note 24)	(443.500)	-
Vacation pay liability (Note 22)	(110.680)	-
Deferred tax (Note 35)	(83.504)	-
Scrap items	21.668	94.396
Goodwill	129.457.887	129.719.166
Cash payment	**225.768.714**	**225.768.714**

As a result of impairment analysis on "Goodwill", the Company does not require any impairment allowance as of December 31, 2008 and 2007.

21. Government incentives and grants

The Company obtained various investment incentive certificates which are still in effect and which entitle it to:

-An investment allowance of 40% of the cost of the investment deductive from the corporation tax (In accordance with the new tax legislation, this advantage can not be used in case of choosing the tax rate as 20%)

- An exemption from customs duty on imported machinery and equipment.

- Incentive premium for local purchases at the rate of VAT.

(Currency – Turkish Lira (TL) unless otherwise indicated)

The commitments of the Company in relation with these investment incentive certificates are as follows:

For Akçansa;

Certificate 1:
Certificate no : 4818
Certificate date : March 22, 2006
Investment beginning date : December 29, 2005
Investment ending date : December 29, 2007 (*)

20% of total fixed asset investments are to be financed by equity. It has been met at year-end.

(*) Although the investment ending date is December 29, 2007, official ending has not yet realized as of December 31, 2008.

Certificate 2:
Certificate no : 4800
Certificate date : February 24, 2006
Investment beginning date : December 29, 2005
Investment ending date : December 29, 2008

20% of total fixed asset investments are to be financed by equity.

Certificate 3:
Certificate no : 5273
Certificate date : December 22, 2008
Investment beginning date : December 5, 2008
Investment ending date : May 6, 2011

100% of total fixed asset investments are to be financed by equity.

22. Provisions, contingent assets and liabilities

Short-term provisions

	December 31, 2008	**December 31, 2007**
Litigations	1.434.831	1.060.719
Vacation pay liability	2.392.100	2.046.346
Competition Board penalty	-	1.929.954
Premium accruals to be paid to executive management	550.000	-
	4.376.931	**5.037.019**

	Competition board penalty	**Litigations (Note 31)**	**Vacation pay liability**	**Premium accruals to be paid to executive management**
January 1, 2008	1.929.954	1.060.719	2.046.346	-
Charge for the year	-	-	-	550.000
Payments and correction of calculation method	(1.929.954)	-	-	-
Increase resulting from change in estimations / new litigations	-	374.112	-	-
Increase in vacation pay liability, net	-	-	345.754	-
December 31, 2008	**-**	**1.434.831**	**2.392.100**	**550.000**

	Competition board penalty	**Litigations (Note 31)**	**Vacation pay liability**
At January 1, 2007	5.526.364	1.555.111	2.299.890
Charge for the year	881.440	-	-
Interest due to discounting of the provision	63.214	-	-
Payment	(4.541.064)	-	-
Decrease resulting from change in estimations/new litigations, net	-	(494.392)	-
Additions resulting from Ladik cement plant acquisition (Note 17)	-	-	110.680
Vacations used	-	-	(364.224)
December 31, 2007	**1.929.954**	**1.060.719**	**2.046.346**

Long-term provisions

	December 31, 2008	December 31, 2007
Recultivation provision	1.992.062	5.207.959
	1.992.062	**5.207.959**

Guarantees received and given
As of December 31, 2008 and 2007 guarantees received and given can be presented as follows:

	Currency	Original amount	December 31, 2008 TL equivalent	Original amount	December 31, 2007 TL equivalent
Letter of guarantees received	EUR	5.540.697	11.861.525	6.423.320	10.985.162
Letter of guarantees received	USD	503.978	762.166	398.978	464.689
Letter of guarantees received	GBP	308.100	675.478	-	-
Letter of guarantees received	TL	-	87.964.308	-	94.534.241
Mortgages received	TL	-	22.929.510	-	21.886.808
Cheques and notes received	TL	-	14.626.431	-	14.989.281
Cheques and notes received	EUR	136.400	292.005	482.163	824.595
Cheques and notes received	USD	165.225	249.870	190.225	221.555
Cheques and notes received	DEM	200.000	218.915	200.000	174.882
Total guarantees received			**139.580.208**		**144.081.213**
Letter of guarantees given	TL	-	8.346.248	-	6.324.488
Letter of guarantees given	USD	120.390	182.066	6.000.000	6.988.200
Letter of guarantees given	EUR	327.500	701.112	827.500	1.415.190
Total guarantees given			**9.229.426**		**14.727.878**

Insurance coverage on assets
Insurance coverage on assets including cash, inventories and property, plant and equipment of the Company is TL 923.884.090 (2007 – TL 922,204,090).

Litigations
a) The Turkish Competition Board (the Board) has performed investigations for the operations of certain cement companies including the Company in Aegean and Marmara region. As a result of this investigation, the Board decided that the companies violated the laws on protection of competition and accordingly charged a penalty of TL 7.112.681 (in historical terms) to the Company. As of December 31, 2007, the Company paid TL 4.795.603 of this penalty. For the remaining part of the penalty, the Company calculated the present value of penalty considering time value of money and reflected a discounted liability amounting to TL 1.929.954 (Note 23) in consolidated financial statements as of December 31, 2007. As of December 31, 2008, the remaining portion of the penalty (TL 2.317.078) has decreased to TL 836.589 after recalculation by the Board. The Company has made the payment amounting to TL 627.000 in 2008, after discount applied due to early payment of the penalty. The remaining portion amounting to TL 1.302.954 after netting off payments amounting to TL 627,000 with the penalty amounting to TL 1,929,954 as of December 31, 2007 has been reflected in provision no longer required in consolidated financial statements as of December 31, 2008 (Note 31).

b) A compensation lawsuit was filed against Karçimsa amounting to DEM 550.000 by a subcontracting technician in 2000 and Karçimsa has accounted for a provision of TL 475.000, based on the lawyer's opinion. Furthermore, another lawsuit filed against Karçimsa related with the same event by the insurance company amounting to DEM 1.100.000 is still going on. Karçimsa has not accounted for any provision for this claim since the outcome of the litigation was uncertain as of the balance sheet date.

c) As of December 31, 2008, there were a number of legal proceedings outstanding against the Company in which total claims amounted to TL 4.139.977 (including the case stated above in section "b") (2007 – TL 2.890.139), GBP 145.000 ve DEM 171.000. These litigation principally involve matters relating to employee claims against the Company or claims by the families of employees due to accidents which occurred at work and cases opened by third parties due to accidents because of the alleged negligence of the Company's personnel. As of December 31, 2088, the Company has provided a provision at an amount of TL 1.434.831 (including provision for the case stated above in section "b") for the litigations, which will more likely than not require an outflow of resources in the future and which are not covered by employer's insurance.

Possible contingencies relating to environment law and land protection and utilization law
According to the Environment Law, no: 2872, dated 09.08.1983, (The law has been changed with the law no: 5491, dated 26.04.2006) and to the Land Protection and Utilization Law, no: 5403, dated 07.03.2005, the operations of the Company such as mining, cement production are subject to legislation in Turkey. All liabilities such as taxes, duties and emission fees resulting from this legislation have been fulfilled by the Company. However, this legislation did not specifically address the costs that could arise from recovering the damage, pollution in the land while vacating the mines. The new regulation on recultivation provision published in the official gazette, no: 26730, dated December 14, 2007, clarified this matter and the Company calculated the estimated cost of the actions that the Company deems that would meet the requirements of legislation related with the mining area it operates on. As a result, related with the surface area which is already excavated as of December 31, 2008, the Company has accounted a recultivation provision at an amount of TL 1.992.062 (2007 – 5.207.959) in "Long-term provisions". As of December 31, 2008, the Company has decreased the recultivation provision from TL 5.207.959 to TL 1.992.062 due to change in assumptions of types and quantities of the materials to be used.

(Currency – Turkish Lira (TL) unless otherwise indicated)

Forward and option contracts
As of December 31, 2008, the Company has eight forward contracts with an amount of USD 26.500.000. Since the foreign exchange rates as of December 31, 2008 is higher than the rate stated on the forward contract, the Company booked a gain of TL 7.167.121 as positive fair value change in the income statement.

23. Commitments

Operating and finance lease commitments

Future minimum rentals payable under non-cancelable operating and finance leases are as follows:

Operating lease commitments	December 31, 2008	December 31, 2007
Within one year	78.000	78.000
After one year but not more than five years	312.000	312.000
More than five years	2.535.000	2.574.000
	2.925.000	**2.964.000**

Commitments

As of December 31, 2008, TL 6.931.089 (December 31, 2007 – TL 5.340.831) of the Company's loss related with operating lease transactions is reflected in consolidated income statement.

Finance lease commitments	December 31, 2008	December 31, 2007
Within one year	6.007.738	4.917.930
After one year but not more than five years	3.897.956	6.192.749
More than five years	-	104.823
Total payables from finance lease operations	9.905.694	11.215.502
Interest	(532.335)	(831.477)
Present value of total payables from finance lease operations	9.373.359	10.384.025

24. Employee benefits

	December 31, 2008	December 31, 2007
Reserve for retirement pay	11.530.660	11.397.006
Seniority incentive premium	1.945.523	1.689.042
	13.476.183	**13.086.048**

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Company and whose employment is terminated due to the retirement after 25 years of service (20 years for women) or for reasons such as military obligation or death. Such payments are calculated on the basis of 30 days' pay and limited to a maximum historical TL 2.173 as of December 31, 2008 (2007 - TL 2.030) per year of employment.

Effective from January 1, 2009 ceiling for retirement pay has been increased to TL 2.260.

In accordance with IAS 19 - Employee Benefits, actuarial calculations are necessary for determining the Company's liabilities. The Company accounts for the employee termination benefits by using "Projection Method" in accordance with IAS 19 based on employees' service period and assumptions by professional actuaries and reflects these figures on financial statements. All actuarial gain and loss are recognized as "Operating expense" in the statement of income.

The principal actuarial assumptions used at the balance sheet dates are as follows:

	December 31, 2008	December 31, 2007
Discount rate	%12	%11
Estimated salary increase rate	%5	%5

Movement of the reserve for the employee termination benefits as of December 31, 2008 and 2007 is as follows:

Reserve for employee termination benefit	December 31, 2008	December 31, 2007
January 1, 2008	11.397.006	9.400.001
Retirement pay liability paid	(2.386.919)	(1.195.765)
Actuarial gain/loss	498.722	285.603
Employee termination benefit resulting from Ladik cement plant acquisition (Note 20)	-	443.500
Interest expense	644.000	510.663
Increase for the year	1.377.851	1.953.004
	11.530.660	**11.397.006**

Cement Industry Employers' Union, of which the Company is a member, and Cimse-İş Labor Union reached an agreement in collective labor negotiations and a collective labor agreement is signed on March 20, 2008 covering the period January 1, 2008 - December 31, 2010.

25. Employee pension plans

The Company does not have any employee pension plans as of December 31, 2008 and 2007.

26. Other assets and liabilities

Other current assets

	December 31, 2008	December 31, 2007
Prepaid expenses	2.385.634	2.409.712
Advances given to suppliers	544.597	1.626.632
Other	7.167.862	(*)4.351
	10.098.093	**4.040.695**

(*) The portion amounting to TL 7.167.121 includes income accrual from forward transactions for the period between January 1 - December 31, 2008.

Other non-current assets

	December 31, 2008	December 31, 2007
Prepaid rent expenses	1.356.425	1.828.798
Investment advances given	412.743	4.346.346
	1.769.168	**6.175.144**

Other short-term liabilities

	December 31, 2008	December 31, 2007
Expense accruals	74.920	1.650.089
Other	3.230	27.359
	78.150	**1.677.448**

27. Shareholders' equity

Issued capital and adjustments to share capital and equity investments

	December 31, 2008	December 31, 2007
Number of common shares (authorized and outstanding) 0,01 TL par value	19.144.706.825	19.144.706.825

As of December 31, 2008, the Company's paid-in capital is TL 191.447.068 (December 31, 2007 - TL 191.447.068) (based on historical costs).

The movement of the share capital (share numbers and in historical TL) during 2008 and 2007 is as follows:

December 31, 2008		December 31, 2007	
Number	TL	Number	TL
19.144.706.825	191.447.068	19.144.706.825	191.447.068

As of December 31, 2008 and 2007 the composition of shareholders and their respective % of ownership can be summarized as follows:

	December 31, 2008		December 31, 2007	
	Amount	%	Amount	%
Hacı Ömer Sabancı Holding A.Ş.	76.035.136	39,52	61.722.378	32,24
Ak Sigorta A.Ş.	-	-	14.312.758	7,48
HeidelbergCement Mediterranean Basin Holdings S.L.	76.035.135	39,72	76.035.135	39,72
Publicly traded	39.376.797	20,56	39.376.797	20,56
Nominal share capital total	191.447.068	100,00	191.447.068	100,00
Restatement effect	233.177.582		233.177.582	
Total per financial statements	**424.624.650**		**424.624.650**	

There is no additional right, privilege and restriction related with these shares.

(Currency – Turkish Lira (TL) unless otherwise indicated)

Legal and other reserves
As of December 31, 2008 and 2007 value increase fund includes unrealized gain on financial assets.

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB) at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation-restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation-restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves can not be used.

Quoted companies are subject to dividend requirements regulated by the Turkish Capital Market Board as follows:

Based on the CMB Decree 7/242, dated February 25, 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the entire amount of net distributable profit should be distributed. If it exceeds the statutory net distributable profit, the entire amount of the statutory net distributable profit should be distributed. If there is loss either in the financial statements prepared in accordance with CMB regulations and or in the statutory financial statements in any period, then dividend is not going to be distributed. Per the resolution of General Assembly Meeting of the companies, the listed companies are free to decide to distribute dividend as full in cash, or distribute dividend as cash or as fully bonus shares to be issued to the shareholders, or partially in cash, partially in bonus shares and to keep the remaining portion in the reserves, or fully keep in the reserve without distribute as cash or bonus shares.

Based on the CMB Decree 2/53 dated January 18, 2007, companies are required to distribute a minimum of 20% of their distributable profits over financial statements prepared in accordance with CMB Accounting Standards. This distributable may be made by either as cash or bonus shares or as a combination of both over the minimum limit of 20% depending on the decisions of the General Assemblies of the companies.

Based on the CMB Decree 1/6, dated January 9, 2009, the principles regarding to the distribution of the profit of 2008 operations of quoted companies subject to capital market is as follows: the minimum dividend distribution rate is 20% in accordance with the article 5 of Communiqué Serial: IV, No:27; the distribution may be made by either as cash or bonus shares to be issued to the shareholders by including the dividend in capital or a certain amount as cash and a certain amount as bonus shares in accordance with the resolution taken in general assembly meeting.

Inflation adjustments to issued capital and historical amount of extraordinary reserves can be used for in kind capital increase, dividend distribution in cash or the net loss deduction

As of December 31, 2008 and 2007, consolidated legal reserves, statutory reserves, extraordinary reserves, retained earnings (losses) and other reserves in the statutory accounts of the Company can be summarized as follows:

	December 31, 2008	**December 31, 2007**
Legal reserves	67.943.495	50.022.448
Statutory reserves	35	35
Extraordinary reserves	2.645.427	21.770.209
Retained earnings	7.758.970	7.758.970
Other reserves	855.370	-
Replacement funds	669.579	226.729

Minority interest
All minority shares are eliminated from equity accounts, including paid-in capital, of consolidated subsidiaries and presented as "Minority interest" in "Shareholders' equity" in the consolidated balance sheet.

28. Sales and cost of sales

Sales income

	December 31, 2008	**December 31, 2007**
Domestic sales	713.737.117	696.473.004
Foreign sales	108.071.158	29.908.650
Sales discounts (-)	(6.645.563)	(19.801.659)
Other discounts (-)	(17.669.658)	(15.993.055)
	797.493.054	**690.586.940**
Domestic service sales	6.932.249	5.903.387
Total	**804.425.303**	**696.490.327**

Cost of sales

	December 31, 2008	December 31, 2007
Direct raw materials and supplies expenses	465.225.938	351.578.677
Direct labour expenses	39.573.896	33.839.497
Depreciation and amortization expenses	53.013.850	40.334.518
Other production expenses	48.992.858	47.728.600
Total production cost	**606.806.542**	**473.481.292**
Change in work in process	**(4.974.539)**	**(3.664.392)**
Work in process at the beginning of the year	8.138.443	4.474.051
Work in process at the end of the year	13.112.982	8.138.443
Change in finished goods	**(4.380.392)**	**(2.714.631)**
Finished goods at the beginning of the year	6.284.512	3.569.881
Finished goods at the end of the year	10.664.904	6.284.512
Cost of merchandise sold	**124.207**	**3.982.000**
Cost of domestic service sold	**559.385**	**488.065**
Total	**598.135.203**	**471.572.334**

Research and development expenses, selling, marketing and distribution expenses, general and administrative expenses

	December 31, 2008	December 31, 2007
Selling, marketing and distribution expenses	(6.823.532)	(6.014.380)
General and administrative expenses	(22.185.868)	(21.428.338)
Research and development expenses	-	(42.245)
	(29.009.400)	**(27.484.963)**

Selling, marketing and distribution expenses		
Personnel expenses	4.326.947	3.490.816
Sales guarantee expenses	783.086	1.048.810
Rent expenses	414.445	292.335
Traveling expenses	395.104	326.849
Outsourced expenses	330.145	338.889
Employee termination benefits	126.331	86.455
Depreciation and amortization expenses	76.972	77.326
Taxes, duties and fees	7.877	18.709
Other expenses	362.625	334.191
	6.823.532	**6.014.380**

	December 31, 2008	December 31, 2007
General and administrative expenses		
Personnel expenses	12.432.771	10.347.100
Consultancy expenses	3.253.363	2.603.010
Depreciation and amortization expenses	938.476	1.120.111
Taxes, duties and fees	622.296	1.525.714
Traveling expenses	593.004	697.075
Rent expenses	538.384	447.593
Outsourced expenses	529.697	419.227
Employee termination benefit	365.228	1.580.136
Insurance expenses	225.104	583.073
Various expenses	2.687.545	2.105.299
	22.185.868	**21.428.338**

Research and development expenses		
Depreciation expenses	-	40.498
Traveling expenses	-	1.747
	-	**42.245**

(Currency – Turkish Lira (TL) unless otherwise indicated)

30. Expenses as to their nature

Depreciation and amortization expenses

	December 31, 2008	December 31, 2007
Property, plant and equipment		
Production costs	52.447.616	38.215.526
Other operating expenses	1.342.745	1.016.558
General and administrative expenses	738.054	902.353
Selling, marketing and distribution expenses	76.243	76.597
Research and development expenses	-	40.498
Total depreciation expenses	**54.604.658**	**40.251.532**
Intangible assets		
Production costs	566.234	2.118.992
Other operating expenses	478.772	-
General and administrative expenses	200.422	217.758
Selling, marketing and distribution expenses	729	729
Total amortization expenses	**1.246.157**	**2.337.479**

Personnel expenses

	December 31, 2008	December 31, 2007
Personnel expenses		
Wages and salaries	41.503.200	35.667.293
Other social security expenses	12.309.841	11.719.437
Provision for employee termination benefit, net (Note 24)	2.520.573	2.749.270
	56.333.614	**50.136.000**

31. Other operating income / expense

As of December 31, 2008 and 2007 breakdown of other operating income and gains is as follows:

Other operating income and gains

	December 31, 2008	December 31, 2007
Provision no longer required (*)	4.518.852	-
Collections from doubtful receivables (Note 10)	978.729	42.865
Gain on sale of auxiliary materials	758.183	393.870
Gain on sale of property, plant and equipment, net	654.797	-
Rent income	463.833	530.378
Other	1.420.642	1.508.371
	8.795.036	**2.475.484**

(*) The portion amounting to TL 3.215.897 is related with the decrease in recultivation provision due to change in assumptions of types and quantities of the materials to be used and the remaining portion amounting to TL 1.302.954 is related with the reversal of the provision related with Competition Board penalty (Note 22).

Other operating expenses and losses

	December 31, 2008	December 31, 2007
Idle capacity expense (comprise mainly of depreciation expense)	2.652.719	1.775.083
Donations	2.450.584	2.260.911
Property and estate taxes	1.626.590	1.750.709
Provision for doubtful receivables (Note 10)	1.221.949	548.660
Provision for litigations (Note 22)	374.112	-
Depreciation expense of rented terminals	274.344	493.874
Compensations and penalties	1.296.110	3.385.448
Recultivation provisions (Note 22)	-	5.207.959
Other	1.012.422	1.636.907
	10.908.830	**17.059.551**

32. Financial income

As of December 31, 2008 and 2007 breakdown of financial income is as follows:

	December 31, 2008	December 31, 2007
Foreign exchange gains	57.308.837	50.844.505
Dividend income	14.419.043	11.450.817
Forward income	8.717.667	-
Maturity difference income	2.001.289	777.866
Interest income	1.990.565	8.945.698
Gain on sale of participations	-	4.062.421
Rediscount income	4.017	308.571
	84.441.418	**76.389.878**

(*) As of December 31, 2008 and 2007 breakdown of dividend income is as follows:

	December 31, 2008	December 31, 2007
Çimsa	13.464.922	10.553.587
Arpaş	937.614	879.125
Other participations	16.507	18.105
	14.419.043	**11.450.817**

33. Financial expenses

As of December 31, 2008 and 2007 breakdown of financial expenses is as follows:

	December 31, 2008	December 31, 2007
Foreign exchange losses	107.661.738	15.432.773
Interest expenses	19.765.237	9.240.808
Forward transaction expenses	1.224.095	8.871.136
Rediscount expenses	572.088	-
	129.223.158	**33.544.717**

34. Assets held for sale and discontinuing operations

The Company does not have any assets held for sale and discontinuing operations as of December 31, 2008 and 2007.

35. Tax assets and liabilities (includes deferred tax assets and liabilities)

As of December 31, 2008 and 2007 breakdown of deferred tax asset and liabilities are as follows:

	Deferred tax assets		Deferred tax liabilities		Deferred tax income (expense)	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Temporary differences on property, plant and equipment	-	-	(28.468.582)	(28.070.531)	(398.051)	(2.727.463)
Goodwill	-	-	(11.884.492)	(4.669.029)	(7.215.463)	(4.669.029)
Inventories	2.649.190	2.341.228	-	-	307.962	(115.322)
Allowance for employee termination benefits	2.306.132	2.279.401	-	-	26.731	399.401
Allowance for unearned/unaccrued interest included in receivables and payables, net	304.037	188.445	-	-	115.592	(77.230)
Recultivation provision	398.412	1.041.592	-	-	(643.180)	1.041.592
Other timing differences, net	(331.127)	1.392.727	-	-	(1.723.854)	240.514
	(*) 5.326.644	**7.243.393**	**(*) (40.353.074)**	**(32.739.560)**	**(9.530.263)**	**(5.907.537)**
Deferred tax impact of temporary differences (not recognized in income statement) generated due to Ladik cement plant acquisition (Note 20)	-	-	-	-		83.504
						(5.824.033)

(*)The net total of these two balance is presented in the balance sheet as deferred tax asset with the amount of TL 1.603.602 (December 31, 2007 - 2.285.833) and deferred tax liability with the amount of TL 36.630.032 (December 31, 2007 – TL 27.782.000).

(Currency – Turkish Lira (TL) unless otherwise indicated)

Movement of net deferred tax liability can be presented as follows:

	December 31, 2008	December 31, 2007
Balance at January 1	25.496.167	19.588.630
Additions due to Ladik cement plant acquisition (Note 20)	-	83.504
Deferred income tax recognized in income statement	9.530.263	5.824.033
Net balance at December 31, 2008 and 2007	**35.026.430**	**25.496.167**

The corporation tax rate for the fiscal year is 20% in Turkey. Corporate tax returns are required to be filed until the twenty fifth of the fourth month following the fiscal year end and paid in full until the end of the same month. The tax legislation provides for a provisional tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

Effective from January 1, 2006, Turkish government ceased to offer investment incentives for capital investments. Companies having unused qualifying capital investment amounts from periods prior to December 31, 2005 will be able to deduct such amounts from corporate income until the end of December 31, 2008; however, the corporate tax rate will be 30% for them. Furthermore, qualifying capital investments to be made until the end of December 31, 2008 within the scope of the investment projects started before December 31, 2005 will be subject to investment incentive until the end of December 31, 2008.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and revise the related accounting records for a retrospective maximum period of five years. The Company does not have tax loss carry forward as of December 31, 2008.

Income tax payables as of December 31, 2008 and 2007 are summarized as follows:

	December 31, 2008	December 31, 2007
Current period corporate tax	16.338.911	32.692.867
Prepaid tax in current period	(20.216.240)	(27.791.865)
Tax return to be claimed from tax office	3.877.329	-
Income tax payable	**-**	**4.901.002**

Major components of income tax expense for the years ended December 31, are:

	December 31, 2008	December 31, 2007
Consolidated income statement		
Current period corporate tax	(16.338.911)	(32.692.867)
Deferred tax	(9.530.263)	(5.824.033)
Income tax expense reported in consolidated income statement	**(25.869.174)**	**(38.516.900)**

A reconciliation of income tax expense applicable to profit before income tax at the statutory income tax rate to income tax expense reported in the income statements for the years ended December 31, 2008 and 2007 is as follows:

	December 31, 2008	December 31, 2007
Profit before income tax and minority interest	130.385.167	225.694.124
At the effective statutory income tax rate of 20%	(26.077.033)	(45.502.534)
Income not subject to tax	3.450.170	5.402.552
Permanent non-taxable items	(315.778)	(860.419)
The effect of the sale of financial asset, Enerjisa	-	2.009.627
Other	(2.926.533)	433.874
	(25.869.174)	**(38.516.900)**

36. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. As of December 31, 2008, the weighted average number of shares is 19.144.706.825.

In Turkey, companies can increase their share capital by making distribution of free shares from various internal resources. For the purpose of the EPS calculation, such bonus share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Company, are regarded similarly. Accordingly, the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares without consideration.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

2007 dividends declared and approved is as follows:

For common shares	
Nominal value per share, gross	Kr 0,65

The Company is planning to determine the dividends to be distributed over the profit of year 2008 in the meeting of the Board of Directors to be held at March 31, 2009.

37. Related party disclosures

Related party balances and related party transactions at December 31, 2008 and 2007 comprise mainly the following:

						Sales to related parties
			December 31, 2008			December 31, 2007
Related Party	**Product**	**Service**	**Other (*)**	**Product**	**Service**	**Other (*)**
Financial assets						
Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa)	-	-	48.439	-	-	81.474
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş. (Arpaş)	-	126.367	-	-	166.082	-
Lafarge Aslan Çimento A.Ş. (Lafarge)	7.981.270	-	178.679	-	-	-
Altaş Ambarlı Lim. Tes. Tic. A.Ş.	629	-	-	-	-	-
Liman İşletm. A.Ş.	10.523	-	-	-	-	-
Other						
Enerjisa Enerji Üretim A.Ş. (Enerjisa)	-	-	19.206	-	-	2.321
HC Trading B.V. – Turkey Branch	64.316.340	-	379.641	29.503.118	-	163.849
HeidelbergerCement A.G.	-	-	105.681	-	-	74.043
HC Trading Malta Lmd.	41.414.646	-	1.677.252	-	-	42.314
Scancem International ANS	-	-	-	-	-	8.264
Exsa Saı. Mam. Satış ve Araş. A.Ş.	-	-	1.495			
Kardemir Demir Çelik San. ve Tic. A.Ş.	-	-	-	1.575	-	-
HC Fuels Limited	-	-	100.241	-	-	41.097
Oysa Niğde Çimento A.Ş.	-	-	-	-	-	1.586
S.A. Cimenteries Cbr.	-	-	-	-	-	2.724
Indocement	-	16.125	24.170	-	-	-

(*) Mainly comprise purchases / sales of property, plant and equipment, purchase of electricity, term difference income and expenses and foreign currency gain and losses.

						Purchases from related parties
			December 31, 2008			December 31, 2007
Related party	**Product**	**Service**	**Other (*)**	**Product**	**Service**	**Other (*)**
Shareholders						
Hacı Ömer Sabancı Holding A.Ş.	-	142.358	-	-	88.489	16.000
Aksigorta Sigortacılık A.Ş.	-	3.682.039	-	-	3.645.845	-
Financial assets						
Çimsa	2.480.537	-	-	256.377	-	297.979
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	247.323	404.782	100.683	188.817	190.521	444.143
Lafarge	-	-	113.574	-	-	-
Eterpark Endüstri Ürünleri İmalat Ticaret İthalat İhracat Pazarlama A.Ş. (Eterpark)	-	685.420	109.311	-	466.449	130.097
Altaş	-	390.838	-	-	268.292	123.570
Other						
Enerjisa	-	-	72	-	-	25.322.206
HC Trading Malta Ltd.	6.796.545	-	-	3.832.021	-	-
Scancem Int. Ans.	-	-	10.617	9.933.580	-	-
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	125.959	-	-	215.475	-	
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	276.922	132.470	17.227	348.959	206.306	9.547
Temsa Termo Mekanik Sanayi ve Ticaret A.Ş.	-	-	9.521	80.422	-	-
Beksa Çelik Kord. San. ve Tic. A.Ş.	1.891.760	-	-	1.658.241	-	-
HeidelbergerCement Company Technology Center GmbH	-	-	-	-	3.478	-
Kardemir Demir Çelik San. ve Tic. A.Ş.	3.920.904	-	2.168	3.334.221	-	24.129
Avivasa Sigorta A.Ş.	-	908.072	-	-	782.494	-
Teknosa İç ve Dış Tic. A.Ş.	115.468	-	1.040	-	-	55.782
Ak Finansal Kiralama A.Ş.	-	4.886.046	412.049	-	3.086.851	301.641
HC Fuels Limited	4.662.864	-	-	1.075.070	48.279	-
Pilsa A.Ş.	17.319	-	-	-	-	-
Maxit Yapı Malzemeleri San. ve Tic. A.Ş.	-	-	1.530	-	-	3.374
S.A. Cimenteries Cbr.	-	657.043	-	-	439.401	-
Carrefoursa Türkiye	-	-	300	-	-	28.279
HC Trading B.V. – Turkey Branch	-	46.617	203,582	-	-	109.617
Çukurova Dış Ticaret A.Ş.	36.856	-	245.798	-	-	367.676
Advansa	-	-	2.000	-	-	37.810

(*) Mainly comprise purchases / sales of property, plant and equipment, purchase of electricity, term difference income and expenses and foreign currency gain and losses.

(Currency – Turkish Lira (TL) unless otherwise indicated)

	Receivable from related parties		Payables to related parties	
	December 31, 2008	**December 31, 2007**	**December 31, 2008**	**December 31, 2007**
Shareholders				
Aksigorta Sigortacılık A.Ş.	35.937	11.241	-	-
Hacı Ömer Sabancı Holding A.Ş.	-	-	57.950	550
Total (*)	**35.937**	**11.241**	**57.950**	**550**
Financial investments				
Arpaş	-	12.855	-	-
Çimsa	-	6.058	7.004	-
Liman İşletmeleri	-	-	81.970	48.106
Eterpark	-	-	119.295	39.416
Lafarge Aslan Çimento	13		-	-
Altaş	-	-	57.239	44.438
		-		
Total (*)	**13**	**18.913**	**265.508**	**131.960**
Other				
Enerjisa	-	-	-	505.851
HC Trading B.V. - Turkey Branch	1.206.084	3.048.605	-	-
HeidelbergerCement A.G.	41.288	9.382	-	-
S.A. Cimenteries Cbr.	-	349	-	-
HC Trading Malta Lmd..	-	38.666	380.677	-
HC Fuels Limited	100.502	39.493	-	-
Scancem Int. Ans.	-	7.551	-	-
Indocement	5.253			
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	-	-	625	80.955
Teknosa A.Ş.	-	-	3.902	5.421
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş.	-	793	-	-
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	-	-	112.176	139.557
Ak Finansal Kiralama A.Ş.	-	-	77.603	80.350
Temsa Termo Mekanik Sanayi ve Ticaret A.Ş.	-	-	3.976	623
Beksa Çelik Kord. San. ve Tic. A.Ş.	-	-		187.825
Kardemir Demir Çelik San. ve Tic. A.Ş.	-	-	489.543	345.912
Avivasa Sigorta A.Ş.	4.173	50		-
Çukurova Dış Ticaret A.Ş.	-	-	61.305	26.736
Olmuksa İntern. Paper-Sabancı	-	-	2.280	2.086
Maxit Yapı Malzemeleri San. ve Tic.	-	-		1.928
		-		-
Total (*)	**1.357.300**	**3.144.889**	**1.132.087**	**1.377.244**
Total	**1.393.250**	**3.175.043**	**1.455.545**	**1.509.754**
Dividend payables to shareholders	-	-	843.233	660.541
Personnel	674.578	370.482	626.635	946.749
Total (**)	**674.578**	**370.482**	**1.469.868**	**1.607.290**

(*) Presented in "Current trade receivables/payables" accounts (Note 10).
(**) Presented in "Other receivables/payables" accounts.

In addition, As of December 31, 2008 "Financial lease payables" amounting to TL 4.596.477 (2007 – TL 3.568.647), that is presented in "Current liabilities" and "Financial lease payables" amounting to TL 2.481.402 (2007 – TL 3.956.656) that is presented in "Non-current liabilities" are payables to "Ak Finansal Kiralama A.Ş.". Receivables from "Direct debit system" in trade receivables amounting to TL 1.965.985 (2007 – TL 264.749) are receivables from Akbank T.A.Ş. In addition, the portion of income accruals from forward transactions amounting to TL 3.036.208 are related with Akbank T.A.Ş.

	December 31, 2008	**December 31, 2007**
Banks		
Akbank T.A.Ş.	3.360.984	9.446.256
Financial liabilities		
Akbank T.A.Ş.	123.507.439	120.955.575

	December 31, 2008	December 31, 2007
Financial expenses to related parties		
Akbank T.A.Ş.	9.148.715	5.036.641
Ak Finansal Kiralama A.Ş.	536.870	494.559
	9.685.585	**5.531.200**
Interest income from related parties		
Akbank T.A.Ş.	315.159	1.002.182
Commission income		
Arpaş	27.112	31.995
Donations		
Sabancı Üniversitesi	54.790	48.400
Vaksa Hacı Ömer Sabancı Vakfı	1.200.000	1.200.000
	1.254.790	**1.248.400**

Executive members' remuneration

	December 31, 2008	December 31, 2007
Short-term benefits provided to executive management	3.177.171	3.417.632
Benefits paid after employment service	136.875	-
Other long-term benefits	112.037	38.500
Total benefits	**3.426.083**	**3.456.132**
Employer's social security premium portion	**86.650**	**95.044**

38. Nature and level of risks arising from financial instruments

Financial risk management objectives and policies
The Company's principal financial instruments are cash and cash equivalents, finance leases and bank borrowings. The main purpose of use of these financial instruments is to raise finance for the Company's operations. The Company has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risks, liquidity risk, foreign currency risk and credit risk. The Company management reviews and agrees policies for managing each of the risks as summarized below. The Company also follows market risk that arise from using financial instruments.

Foreign currency risk
Foreign currency risk occurs due to the Company's some liabilities which are denominated in mostly USD and in EUR.

The Company is also exposed to foreign currency risk due to the transactions made in foreign currency. This risk occurs due to purchases, sales and bank borrowings of the Company which are denominated in currencies other than the functional currency.

The Company's net foreign currency position as of December 31, 2008 and 2007 are TL 220.856.466 short (liability) and TL 193.022.977 short (liability) respectively.

The currency risk for the Company is due the loans used approximately amounting to USD 150 million. In order to mitigate this risk, the Company monitors its financial position, cash inflows and outflows by using detailed cash flow charts and also uses derivative instruments to mitigate currency risk when needed.

(Currency – Turkish Lira (TL) unless otherwise indicated)

Foreign currency position of the Company is as follows:

Table of foreign currency position
Current period

	TL equivalent (Functional currency)	USD	EUR	GBP	CHFSEK	
1. Trade receivables	8.175.271	4.667.221	521.783	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	21.971.555	13.880.940	455.725	1.730	-	4
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	**30.146.826**	**18.548.161**	**977.508**	**1.730**	**-**	**4**
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-current assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**30.146.826**	**18.548.161**	**977.508**	**1.730**	**-**	**4**
10. Trade payables	8.519.078	4.550.833	764.599	-	-	-
11. Financial liabilities	87.484.125	54.439.449	2.408.140	-	-	-
12a. Monetary other liabilities	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	**96.003.203**	**58.990.282**	**3.172.739**	**-**	**-**	**-**
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	155.000.091	100.570.000	1.358.408	-	-	-
16 a. Monetary other liabilities	-	-	-	-	-	-
16 b. Non-monetary other liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	**155.000.091**	**100.570.000**	**1.358.408**	**-**	**-**	**-**
18. Total liabilities (13+17)	**251.003.294**	**159.560.282**	**4.531.147**	**-**	**-**	**-**
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	**40.075.950**	**26.500.000**	**-**	**-**	**-**	**-**
19a. Total hedged asset amount (*)	**40.075.950**	**26.500.000**	**-**	**-**	**-**	**-**
19b. Total hedged liability amount			**-**	**-**	**-**	**-**
20. Net foreign currency asset/(liability) position (9-18+19)	**(180.780.518)**	**(114.512.121)**	**(3.553.639)**	**1.730**	**-**	**4**
21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	**(220.856.468)**	**(141.012.121)**	**(3.553.639)**	**1.730**	**-**	**4**
22. Total fair value of financial instruments used to manage foreign currency position	**7.161.121**	**26.500.000**	**-**	**-**	**-**	**-**
23. Export	**105.730.987**	**59.771.931**	**20.676.094**			
24. Import	**98.099.844**	**67.710.975**	**7.817.508**	**22.108**	**39.037**	**111.807**

(*)As of December 31, 2008, the Company has currency forward contracts amounting to USD 26.500.000 (2007 – USD 15.000.000.000) in order to avoid from exposed foreign currency risk (Note 22).

Table of foreign currency position
Prior period

	TL Equivalent (Functional currency)	USD	EUR	GBP	CHFSEK	
1. Trade receivables	3.117.554	2.640.236	24.834	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	5.472.181	695.646	2.725.975	-	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	374.003	4.500	215.625	-	-	-
4. Current assets (1+2+3)	**8.963.738**	**3.340.382**	**2.966.434**	**-**	**-**	**-**
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-current assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**8.963.738**	**3.340.382**	**2.966.434**	**-**	**-**	**-**
10. Trade payables	10.204.234	669.852	5.510.500	-	-	-
11. Financial liabilities	69.312.357	55.866.939	2.481.659	-	-	-
12a. Monetary other liabilities	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	**79.516.591**	**56.536.791**	**7.992.159**	**-**	**-**	**-**
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	122.470.121	100.689.995	3.038.524			
16 a. Monetary other liabilities	-	-	-	-	-	-
16 b. Non-monetary other liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	**122.470.121**	**100.689.995**	**3.038.524**	**-**	**-**	**-**
18. Total liabilities (13+17)	**201.986.712**	**157.226.786**	**11.030.683**	**-**	**-**	**-**
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	**17.470.500**	**15.000.000**	**-**	**-**	**-**	**-**
19a. Total hedged asset amount (*)	**17.470.500**	**15.000.000**	**-**	**-**	**-**	**-**
19b. Total hedged liability amount	**-**	**-**	**-**	**-**	**-**	**-**
20. Net foreign currency asset/(liability) position (9-18+19)	**(175.552.474)**	**(138.886.404)**	**(8.064.249)**	**-**	**-**	**-**
21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	**(193.022.974)**	**(153.890.904)**	**(8.279.874)**	**-**	**-**	**-**
22. Total fair value of financial instruments used to manage foreign currency position	**(1.550.546)**	**15.000.000**	**-**	**-**	**-**	**-**
23. Export	**29.503.118**	**14.385.632**	**6.683.683**	**-**	**-**	**-**
24. Import	**161.877.181**	**45.012.447**	**54.599.204**	**67.738**	**91.515**	**1.038.764**

The following table demonstrates the sensitivity to a possible change of 10% in the USD, EUR and other exchange rates, with all other variables held constant, on the Company's income before tax as of December 31, 2008 and 2007:

	Foreign currency sensitivity analysis statement	
		Current period
	Profit/loss Appreciation of foreign currency	**Profit/loss Depreciation of foreign currency**
In case 10% appreciation of USD against TL:		
1- USD denominated net asset/liability	(21.325.263)	21.325.263
2- USD denominated hedging instruments (-)	3.954.374	(3.954.374)
3- Net effect in USD (1+2)	**(17.370.889)**	**17.370.889**
In case 10% appreciation of EUR against TL:		
4- EUR denominated net asset/liability	(760.763)	760.763
5- EUR denominated hedging instruments (-)		
6- Net effect in EUR (4+5)	**(760.763)**	**760.763**
In case 10% appreciation of other exchange rates against TL:		
7- Other foreign currency denominated net asset/liability	379	(379)
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	**379**	**(379)**
Total (3+6+9)	**(18.131.273)**	**18.131.273**

	Foreign currency sensitivity analysis statement	
		Prior period
	Profit/loss Appreciation of foreign currency	**Profit/loss Depreciation of foreign currency**
In case 10% appreciation of USD against TL:		
1- USD denominated net asset/liability	(17.923.149)	17.923.149
2- USD denominated hedging instruments (-)	(729.451)	729.451
3- Net effect in USD (1+2)	(18.652.600)	18.652.600
In case 10% appreciation of EUR against TL:		
4- EUR denominated net asset/liability	(1.379.148)	1.379.148
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	(1.379.148)	1.379.148
In case 10% appreciation of other exchange rates against TL:		
7- Other foreign currency denominated net asset/liability	-	-
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	-	-
Total (3+6+9)	**(20.031.748)**	**20.031.748**

There is not any effect of a possible change in foreign exchange rates to equity accounts of the Company

Price risk

Price risk is a combination of foreign currency risk, interest rate risk and market risk. The Company naturally manages its price risk by comparing the same foreign currency denominated receivable and payables and assets and liabilities bearing interest. The Company closely monitors its market risk by analyzing the market conditions and using appropriate valuation methods.

(Currency – Turkish Lira (TL) unless otherwise indicated)

Interest position table		Current period	Prior period
	Financial instruments with fixed interest		
Financial assets	Financial assets at fair value through profit/loss	-	-
	Financial assets available for sale	-	-
Financial liabilities		94.365.587	71.686.573
	Financial instruments with variable interest		
Financial assets		-	-
Financial liabilities		154.745.275	120.885.768

As of December 31, 2008 and 2007, the effect of +/- 0,5% change in interest rates of borrowings with variable interest rate in balance sheet is as follows:

	Effect on income before tax	
Interest increase	**December 31, 2008**	**December 31, 2007**
%0,5	TL (756.150)	TL (435.495)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company manages its credit risk by limiting exposure to any one institution and revaluing the credibility of the related institutions continuously. The total credit risk of the Company is presented in balance sheet.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location.

The Company manages its credit risk by extending its operations to a large area and avoiding unwanted concentration on people/groups in a specific area/sector. The Company requires collateral from its customers when needed.

	Receivables						
	Trade receivables		Other receivables				
Current Period	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposits in Banks**	**Derivative Instruments**	**Other**
Maximum credit risk exposures as of report date (A+B+C+D+E) (1)	**1.393.250**	**117.489.536**	**674.578**	**7.924.242**	**29.311.875**	**7.167.862**	**139.580.207**
- Guaranteed portion of credit risk by guarantees, etc.	-	58.994.078	-	6.996.386	-	-	-
	-	-	-	-	-	-	-
A. Net book value of financial assets which are not overdue or not impaired	1.393.250	107.372.810	674.578	7.924.242	29.311.875	7.167.862	-
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired	-	4.580.783	-	-	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	5.535.943	-	-	-	--- Under	
guarantee	-	3.277.658	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Overdue (gross book value)	-	2.481.136	-	-	-	-	-
- Impairment (-)	-	(2.481.136)	-	-	-	-	-
- Guaranteed portion of net value by in guarantees, etc *	-	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net value by in guarantees, etc *	-	-	-	-	-	-	-
E. Factors including off balance sheet credit risk	-	-	-	-	-	-	139.580.207

Prior Period	Receivables Trade receivables Related Party	 Other Party	 Other receivables Related Party	 Other Party	Deposits in Banks	Derivative Instruments	Other
Maximum credit risk exposures as of report date (A+B+C+D+E) (1)	**3.175.043**	**103.981.861**	**370.482**	**26.128.133**	**22.241.859**	**-**	**144.081.214**
- Guaranteed portion of credit risk by guarantees, etc.	-	63.893.593	370.482	24.407.637	-	-	-
	-	-	-	-	-	-	-
A. Net book value of financial assets which are not overdue or not impaired	3.175.043	98.276.703	370.482	26.128.133	22.241.859	-	-
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired	-	1.294.601	-	-	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	4.410.557	-	-	-	-	-
- Under guarantee	-	3.535.557	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Overdue (gross book value)	-	2.237.916	-	-	-	-	-
- Impairment (-)	-	(2.237.916)	-	-	-	-	-
- Guaranteed portion of net value by in guarantees, etc *	-	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net value by in guarantees, etc *	-	-	-	-	-	-	
E. Factors including off balance sheet credit risk	-	-	-	-	-	-	144.081.214

Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

The breakdown of financial assets and liabilities according to their maturities is disclosed considering from balance sheet date to due date period. Financial assets and liabilities that have no certain due date are classified in over 1 year column.

December 31, 2008

Maturities per agreement	Carrying value	Contractual undiscounted payment (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Non-derivative financial liabilities	**312.658.126**	**327.156.645**	**73.074.274**	**119.677.215**	**134.405.156**	**-**
Bank loans	239.737.504	253.012.280	7.333.667	115.171.412	130.507.201	-
Commercial paper issuance	-	-	-	-	-	-
Financial lease obligations	9.373.359	9.905.692	1.501.934	4.505.803	3.897.955	-
Trade payables	53.955.431	54.646.841	54.646.841	-	-	-

Expected maturities	Carrying value	Contractual undiscounted payment (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Non-derivative financial liabilities						
Other payables	6.925.864	6.925.864	6.925.864	-	-	-

Expected maturities or (maturities per agreement)	Carrying value	Contractual undiscounted payment (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Derivative financial assets (net)	7.167.121	7.167.121	-	7.167.121	-	-

December 31, 2007

Maturities per agreement	Carrying value	Contractual undiscounted payment (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Non-derivative financial liabilities	258.103.796	282.910.431	68.041.451	72.981.943	141.887.037	-
Bank loans	182.188.316	205.672.819	789.857	69.293.496	135.589.466	-
Commercial paper issuance						-
Financial lease obligations	10.384.025	11.215.500	1.229.482	3.688.447	6.297.571	-
Trade payables	53.461.317	53.951.974	53.951.974	-	-	-

Expected maturities	Carrying value	Contractual undiscounted payment (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Non-derivative financial liabilities						
Other payables	10.743.702	10.743.702	10.743.702	-	-	-

(Currency – Turkish Lira (TL) unless otherwise indicated)

Expected maturities or (maturities per agreement)	Carrying value	Contractual undiscounted payment (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Derivative financial assets (net)	1.550.546	1.550.546	1.550.546	-	-	-

Fair values
Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The financial assets and liabilities which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet which approximate to market rates.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate a fair value.

Financial assets
The fair values of certain financial assets carried at cost, including cash and cash equivalents plus the respective accrued interest and other financial assets are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying values of trade receivables along with the related allowances for doubtful receivables are estimated to be their fair values.

Financial liabilities
The fair values trade payables and other monetary liabilities are estimated to approximate carrying value due to their short-term nature. The fair values of bank borrowings are considered to approximate their respective carrying values, since the initial rates applied to bank borrowings are updated periodically by the lender to reflect active market price quotations. The carrying values of trade payable are estimated to be their fair values due to their short-term nature.

Capital management
The primary objective of the Company's capital management is to maximize shareholder value, provide benefits to other stockowners and to keep the most appropriate capital structure to decrease the capital cost.

The Company follows up the debt to equity ratio in the capital management in parallel with other companies in the sector. This rate is calculated by dividing net debt to total equity.

	December 31, 2008	December 31, 2007
Total debt	369.211.484	315.795.272
Less: Cash and cash equivalents (Note 6)	(29.312.899)	(22.254.090)
Net debt	339.898.585	293.541.182
Total shareholder's equity	764.576.170	853.911.791
Total paid-in share capital	191.447.068	191.447.068
Debt to equity ratio	**1,78**	**1,53**

39. Financial instruments (fair value explanations and disclosures within the framework of hedge accounting)

Derivative Financial Instruments (Forward Contracts)
The Company enters into transactions with derivative instruments, including forwards, in the foreign exchange markets. These derivative transactions are considered as effective economic hedges under the Company's risk management policies; however since they do not qualify for hedge accounting under the specific provisions of IAS 39, they are treated as derivatives held for trading. Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair value.

Fair values are obtained from quoted market prices, to the extent publicly available and discounted cash flows as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

For derivatives that do not qualify for special hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

Derivatives with unrealized gains are included in income accruals (other current assets) and derivatives with unrealized losses are included in accrued expense (other short-term liabilities) in the consolidated balance sheet.

As of December 31, 2008, the Company has forward currency purchase contracts amounting to USD 26.500.000 in order to hedge foreign currency exposure (Note 22).

40. Subsequent events

None.

41. Other matters which are significant to the financial statements or which should be disclosed for the purpose of true and fair interpretation of the financial statements

None.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

2008 Yılı
Kâr Dağıtım Tablosu (TL)

1.	Ödenmiş/Çıkarılmış Sermaye	191.447.068	
2.	Toplam Yasal Yedek Akçe (Yasal Kayıtlara Göre)	67.220.946	
	Esas sözleşme uyarınca kar dağıtımda imtiyaz var ise söz konusu imtiyaza ilişkin bilgi		
		SPK'ya Göre	Yasal Kayıtlara (YK) Göre
3.	Dönem Kârı	130.138.882,28	96.390.287,19
4.	Ödenecek Vergiler (-)	25.869.174,04	16.342.696,73
5.	Net Dönem Kârı (=)	104.269.708,24	80.047.590,46
6.	Geçmiş Yıllar Zararları (-)		
7.	Birinci Tertip Yasal Yedek (-)	4.002.379,52	4.002.379,52
8.	Konsolidasyona Dahil İştirakin (*) Dağıtım Kararı Alınmamış Dağıtılabilir Kâr Tutarı (-)		
9.	NET DAĞITILABİLİR DÖNEM KÂRI (=)	100.267.328,72	76.045.210,94
10.	Yıl içinde yapılan bağışlar (+)	2.403.831,12	
11.	Birinci temettüün hesaplanacağı bağışlar eklenmiş net dağıtılabilir dönem kârı	102.671.159,84	
12.	Ortaklara Birinci Temettü		
	- Nakit	20.534.231,97	
	- Bedelsiz		
	- Toplam	20.534.231,97	
13.	İmtiyazlı Hisse Senedi Sahiplerine Dağıtılan Temettü		
14.	Yönetim Kurulu Üyelerine, çalışanlara vb.'e temettü		
15.	İntifa Senedi Sahiplerine Dağıtılan Temettü		
16.	Ortaklara İkinci Temettü	49.467.825,37	
17.	İkinci Tertip Yasal Yedek Akçe	6.042.970,39	
18.	Statü Yedekleri		
19.	Özel Yedekler		
20.	OLAĞANÜSTÜ YEDEK	24.222.300,99	
21.	Dağıtılması Öngörülen Diğer Kaynaklar		
	- Geçmiş Yıl Kârı		
	- Olağanüstü Yedekler	0,00	
	- Kanun ve Esas Sözleşme Uyarınca Dağıtılabilir Diğer Yedekler		

2008 Yılı Faaliyet Raporu'nun, 31 Mart 2009 tarihinde toplanacak Olağan Genel Kurul'da öngörülen prensipler ve kurallar içinde sunulmasına, 2008 yılı Bilanço konsolide kârı 130.138.882,78 TL'nin; Esas Mukavelename'nin 33. maddesi gereği ve SPK tebliğlerine uygun olarak 1. Tertip Yedek Akçe, vergi ve yasal yükümlülükler düşüldükten sonra kalan 70.002.057,34 TL'nin kâr payı olarak dağıtılmasına;

Böylelikle 2008 yılı kârından 191.447.068,25 TL sermayeyi temsil eden pay sahiplerine %36,565 (brüt) %31,08 (net) oranında toplam 70.002.057,34 TL kâr payının 29.05.2009 tarihine kadar nakden dağıtılması ile ilgili Yönetim Kurulu tarafından alınan 13 Mart 2009 tarihli kararı Genel Kurul'un tasviplerine arz ederiz.

Saygılarımızla,
Yönetim Kurulu

Denetim Kurulu Raporu
(01.01.2008 - 31.12.2008 Dönemi)

AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.
GENEL KURULU'NA

- Ortaklığın	
Unvanı	: Akçansa Çimento Sanayi ve Ticaret A.Ş.
Merkezi	: İSTANBUL
Kayıtlı Sermaye Tavanı	: 500.000.000.-TL
Çıkarılmış Sermayesi	: 191.447.068,25.-TL
Faaliyet Konusu	: Çimento Üretimi, Satışı, Hazır Beton Üretimi, Satışı ve Esas Mukavele'de kayıtlı işler.
- Denetçi veya denetçilerin adı ve görevi	: Mevlüt AYDEMİR, Fuat ÖKSÜZ Görev süresi 1 yıl, Şirket personeli ve ortak değillerdir.
- Katılınan Yönetim Kurulu ve yapılan Denetleme Kurulu Toplantıları sayısı	: İki defa Yönetim Kurulu Toplantısı'na katılınmış, bir defa denetçilerarası toplantı yapılmıştır.
- Ortaklık hesapları, defter ve belgeleri, belgeler üzerinde yapılan incelemenin kapsamı hangi tarihlerde inceleme yapıldığı ve varılan sonuç	: Ortaklık hesapları, defter ve belgeleri üzerinde aşağıda belirtilen tarihlerde genel inceleme yapılmış olup, kayıtların kanun ve Genel Muhasebe Kurallarına uygun olduğu görülmüştür.
- Türk Ticaret Kanunu'nun 353. maddesinin 1. fıkrasının 3. no.'lu bendi gereğince Ortaklık veznesinde yapılan sayımların sayısı ve sonuçları	: Yıl içinde dört sayım yapılmış ve nakit mevcudunun kayıtlara uygun olduğu görülmüştür.
- Türk Ticaret Kanunu'nun 353. maddesinin 1.fıkrasının 4 no.lu bendi gereğince yapılan inceleme tarihleri ve sonuçları	: 2008 yılında (25 Şubat, 27 Haziran, 29 Ağustos, 31 Aralık) tarihlerinde inceleme yapılmış kıymetli evrakların tamam olduğu tespit edilmiştir.
-İntikal eden şikâyet ve yolsuzluklar ve bunlar hakkında yapılan işlemler	: İntikal eden şikâyet ve yolsuzluklar yoktur.

Akçansa Çimento Sanayi ve Ticaret A.Ş.'nin 01/01/2008 - 31/12/2008 dönemi hesap ve işlemlerini Türk Ticaret Kanunu, Ortaklığın Esas Sözleşmesi ve diğer mevzuat ile genel kabul görmüş muhasebe ilke ve standartlarına göre incelemiş bulunmaktayız.

Görüşümüze göre içeriğini benimsediğimiz ekli 31/12/2008 tarihi itibarıyla düzenlenmiş Bilanço, Ortaklığın anılan tarihteki mali durumunu, 01/01/2008 - 31/12/2008 dönemine ait Gelir Tablosu anılan döneme ait faaliyet sonuçlarını gerçeğe uygun ve doğru olarak yansıtmakta; Kârın dağıtımı önerisi yasalara ve Ortaklık Esas Sözleşmesi'ne uygun bulunmaktadır.

Bilançonun ve Gelir Tablosunun onaylanmasını ve Yönetim Kurulu'nun aklanmasını oylarınıza arz ederiz.

13/03/2009

Mevlüt AYDEMİR

Fuat ÖKSÜZ

www.sabanci.com.tr • www.heidelbergcement.com

www.akcansa.com.tr • www.betonsa.com.tr • www.karcimsa.com.tr

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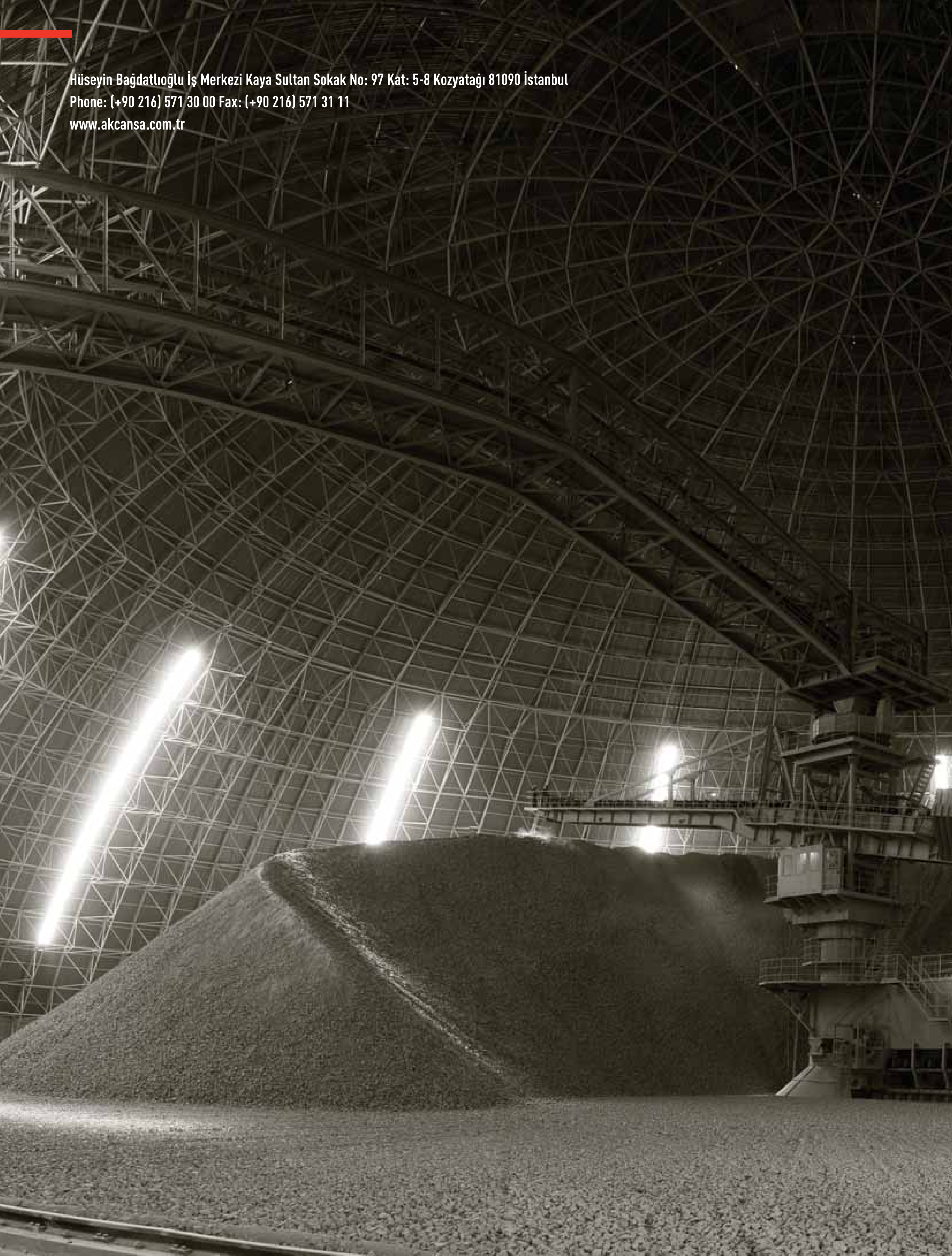

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