Sustainable structures
from the past taken to the future

Akçansa 2010 Annual Report

AKÇANSA

Cover: Büyükçekmece Bridge, İstanbul and İstanbul subway

Contents

Agenda

AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.
March, 31 2011 AGENDA OF ANNUAL GENERAL MEETING

1- Opening and election of the Annual General Meeting Committee,
2- Authorization of the Assembly 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- Presentation of the Company's donations and contributions in 2010,
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- Approval of the temporary appointments for the Board of Directors positions that opened up during the year,
9- Election of Auditors to replace those whose terms in office have expired, and the drawing up of a resolution on their term in office,
10- Approval of the Independent Auditor selected by the Board of Directors, as per the Capital Markets Law,
11- Resolution on the amendments to article 3 and article 6 of the articles of incorporation
11- 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 2011 Time: 14:00 Location: Sabancı Center, Hacı Ömer Sabancı Conference Hall, Kule 2 4. Levent/ISTANBUL

Corporate Profile

As the leader of Turkey's cement sector, Akçansa provides for 10% of the country's cement needs. The Company accomplishes this through a combination of product compliance with global standards, environmentally friendly production processes which have received the acclaim of the Istanbul Chamber of Industry, commitment to service excellence, and production facilities equipped with cutting-edge technology.

A joint venture of Sabancı Holding and HeidelbergCement, Akçansa is Turkey's largest cement producer and the leader of the Turkish cement sector.

Akçansa was formed as a result of the 1996 merger between Akçimento (founded in 1967) and Çanakkale Cement (founded in 1974).

Akçansa, with operations in the Marmara, Aegean, and Black Sea regions, carries out clinker and cement production in three of its plants, in Istanbul-Büyükçekmece, Çanakkale, and Samsun-Ladik. Akçansa also has six additional cement terminals in Istanbul-Ambarlı, Izmir-Aliağa, Yalova, Samsun Yarımca, and Hopa.

As a result of the merger between Akçansa and its subsidiary Betonsa in 1998, Akçansa also produces under the **"Betonsa"** brand and carries out ready-mixed concrete operations in more than 35 facilities spread throughout the Marmara and Aegean regions.

Upon merging with another one of its subsidiaries, Agregasa Agrega, in 2002, the Company has continued production of the **"Agregasa"** brand in three facilities in İstanbul.

Akçansa aims to achieve "premium quality in production and service," fulfill the demand of both domestic and foreign customers and compete beyond price.

As the leader of Turkey's cement sector, Akçansa provides for 10% of the country's cement needs. The Company accomplishes this through a combination of product compliance with global standards, environmentally friendly production processes, which have received the acclaim of the Istanbul Chamber of Industry, commitment to service excellence, and production facilities equipped with cutting-edge technology.

Sustainable structures from the past taken to the future

Aspendos, Antalya

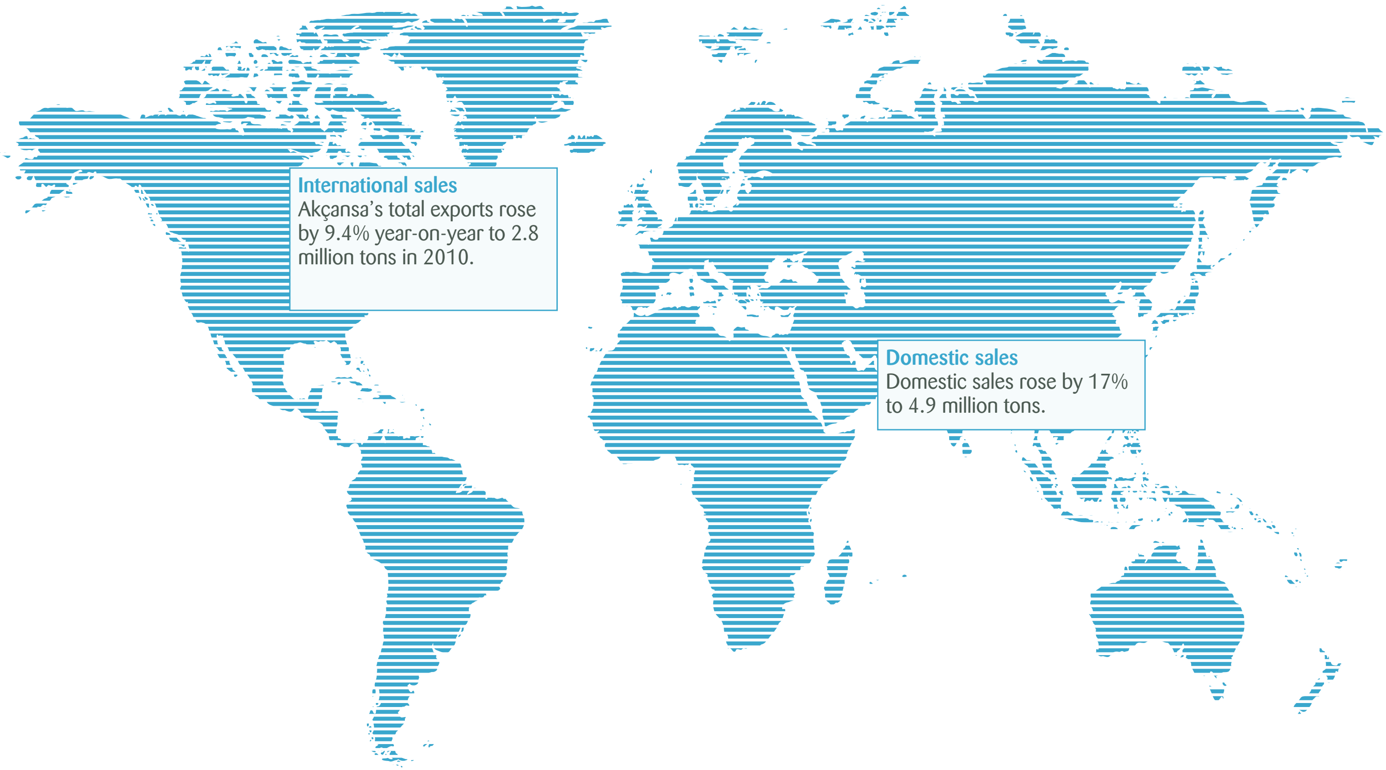
We are here

as the leader in the sector with our strengths and experience.

Arena Stadium, İstanbul
In this project, Betonsa products were preferred.

A joint company founded by Sabancı Holding and HeidelbergCement, Akçansa is the largest cement manufacturer in Turkey and the leading company in its sector.

Financial and Operational Indicators

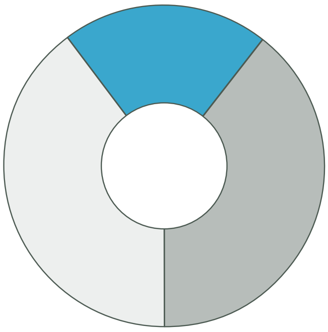


59
Net Profit (TL million)

817
Net Sales (TL million)

Akçansa continues to add value for its stakeholders through its successful performance, which is supported by strong growth dynamics.

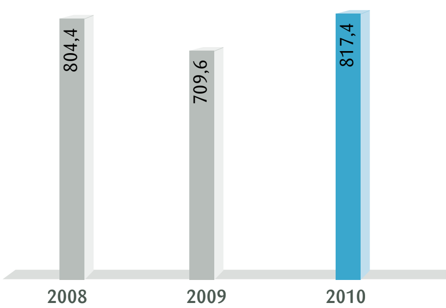
Shareholder Structure



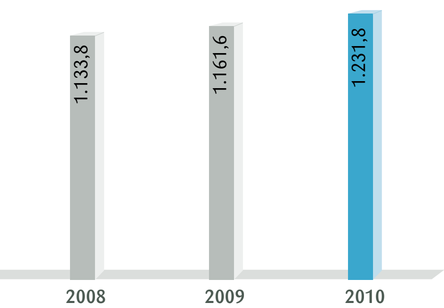
- HeidelbergCement Mediterranean Basin Holdings, S.L (39.72%)
- Hacı Ömer Sabancı Holding A.Ş. (39.72%)
- Other-Publicly held (20.57%)

Sales (million tons)	**2008**	**2009**	**2010**
Cement-Total	5.6	5.5	6.6
Domestic	5.0	4.0	4.8
Exports	0.6	1.5	1.8
Clinker-Total	1.1	1.2	1.1
Domestic	0.5	0.2	0.1
Exports	0.6	1.0	1.0
Ready-Mixed Concrete (million m^3)	3.7	4.1	5.0
(TL million)			
Net Sales	804.4	709.6	817.4
EBITDA	231.31	166.5	132.2
%	28.75	23.46	16.2
EBIT	177.28	111.55	77.79
%	22.04	15.72	9.5
PROFITABILITY			
NET PROFIT	104.3	75.0	59.3
Earnings per Share	0.54	0.39	0.31
Dividends per Share %	36.56	34.18	20.40
NET FINANCIAL BORROWING	219.8	148.2	160.5
SHAREHOLDERS' EQUITY	753.1	808.5	830.3
TOTAL ASSETS	1,133.8	1,161.6	1,231.8

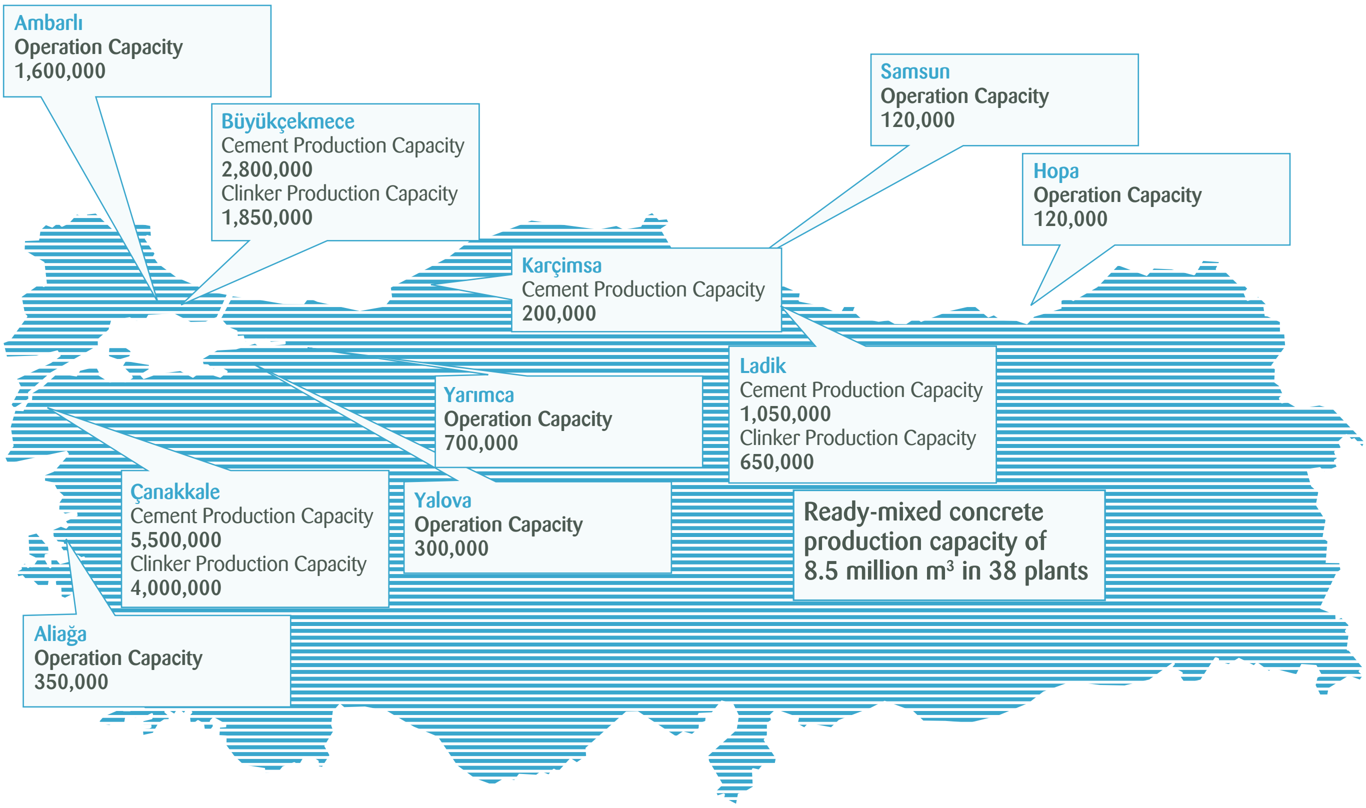
Net Sales
(TL million)



Total Assets
(TL million)



Plant Capacities (tons/year)



Annual Production Capacity

9

million tons cement

6.5

million tons clinker

Vision-Mission

Vision

"Sustainable growth beyond all boundaries"

To grow beyond all boundaries in the building materials industry with a business model that is trusted and most preferred by all of our stakeholders.

Mission

To be the leading building materials company

that enriches society's quality of life with a corporate culture committed to our social, environmental, legal, and ethical values and that creates value for:

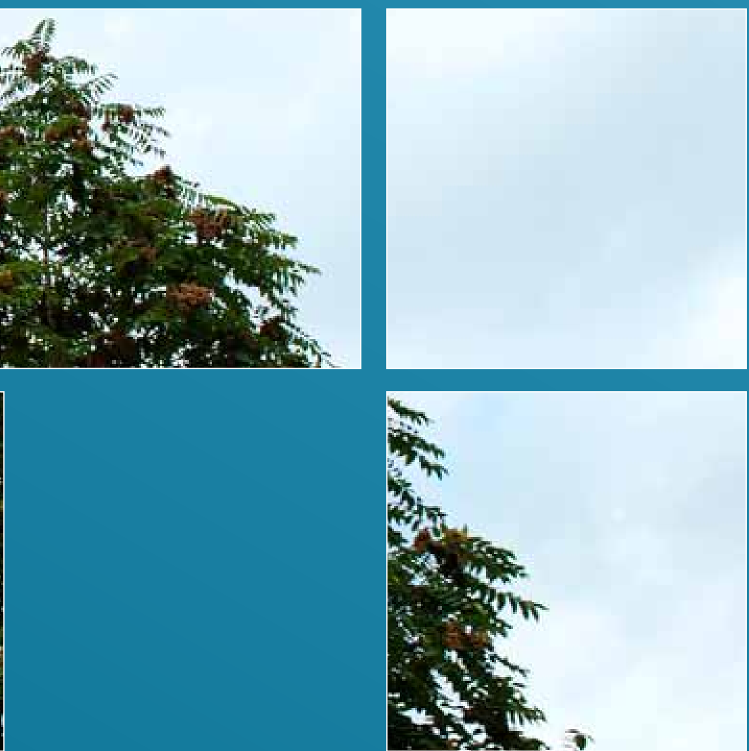
- **Our customers** with innovative products, services, and solutions,
- **Our shareholders** through superior financial performance,
- **Our employees**, through a management approach which prioritizes occupational health and safety, and continuous development facilities,
- **Our environment**, through the use of alternative fuels and raw materials, recycling processes and the importance attached to biological diversity, and
- **All other stakeholders**

Galata Tower, İstanbul

We are here

in innovative products and solutions that direct the sector.

Sustainable structures
from the past taken to the future



Ant Hill, İstanbul
In this project, Betonsa products were preferred.

With its customizable product range and innovative products, Akçansa produces solutions that direct the sector amid intensive competition.

Message from the Chairman

For Akçansa, 2010 was a year in which the Company pressed ahead with its investments and achieved some significant breakthroughs in its business lines, through improved efficiency and sustainability-oriented principles of work.

The year 2010 can be defined as a post-crisis period of transition for the global economy. Having achieved rapid growth rates during this period, emerging economies became the new driving force of the global economy, while the economic stimulus in developed economies was weak.

In 2010, the Turkish economy was one of the more eye catching countries among emerging markets with its strong growth performance. As a result of its economic growth, which was based on domestic demand and private consumption, Turkey's GDP recorded a staggering 8.9% growth at constant prices in the first three quarters of 2010. This stunning growth performance supported the construction sector, and construction was the most rapidly growing business line, having recorded 24.9% growth in Q3/2010 and 18.4% growth in the first nine months of the year.

Having fended off the contraction in the domestic market by exporting during the global economic crisis, the Turkish cement sector recorded a significant recovery in 2010. Cement consumption in the Turkish domestic market rose by 17% to 50 million tons in 2010. There was a 10% contraction in foreign cement and clinker sales, with exports declining to 18.5 million tons.

In 2010, Akçansa met nearly 10% of Turkey's total cement need and 14.6% of Turkish cement exports. Conducting its manufacturing activities at facilities equipped with state-of-the-art equipment in an environmentally friendly manner, and with a superior service approach, our Company's cement and clinker sales in the domestic market rose by 17% to 4.9 million tons. Akçansa sold 7.7 million tons of cement and clinker in total as its foreign cement and clinker sales rose by 9.4% to 2.8 million tons.

Despite increasing energy and fuel costs in 2010 and the impact of intensive competition with respect to cement sale prices in the Marmara region, we succeeded in raising our turnover during the year. Although our sales revenues reached TL 817 million, while our net profit of TL 59 million was lower than our profit in the previous year.

Having set itself apart from its rivals in the field of ready-mixed concrete with its innovative and special products, Betonsa notched up significant operational successes, demonstrating a record sales performance in major projects thanks to its special products, superior technological strengths and qualified human resources. Betonsa recorded a 22% year-on-year increase in its total ready-mixed concrete sales to 5 million m^3 in 2010. Accounting for 8% of our total sales, our special product sales rose by 71% year-on-year.

For Akçansa, 2010 was a year where the Company continued to pursue its investments and achieved significant breakthroughs in its business lines through improved efficiency and sustainability-oriented principles of work.

In 2010, we unstintingly pressed ahead with our investments with the installation of new facilities, as well as capacity increases, modernization and environmental and cost optimization, again aimed at maximizing customer satisfaction.

A pioneer in Turkey in the use of alternative fuels and raw materials, which are of key importance for protecting the environment and natural resources, Akçansa continued its efforts in this field in 2010.

The "Waste Heat Recycling" plant, which was one of our most important investments in 2010 and whose foundations were laid down at the Çanakkale Facility in September 2010, will enter operation in 2011, the culmination of USD 24 million of investment. A first in the sector, this plant, which will generate energy from waste heat, will save 105 million kWh of energy per year; in other words, 30% of the required energy will be generated from waste heat. As well as saving the energy, the Waste Heat Recycling Plant will reduce CO_2 emissions by nearly 60,000 tons.

Esteemed shareholders,

Sharing the details of its activities and targets with all of its stakeholders in a transparent and accurate manner as a core principle, our Company disclosed its first Sustainability Report to the public, which includes all of its sustainability-related activities implemented in 2010, as well as its carbon footprint. Akçansa again served as the pioneer in its sector by publishing the first Sustainability Report in the Turkish cement sector and in Turkey's heavy industry sector. The report was prepared at level "B" and in accordance with the principles of the Global Reporting Initiative (GRI).

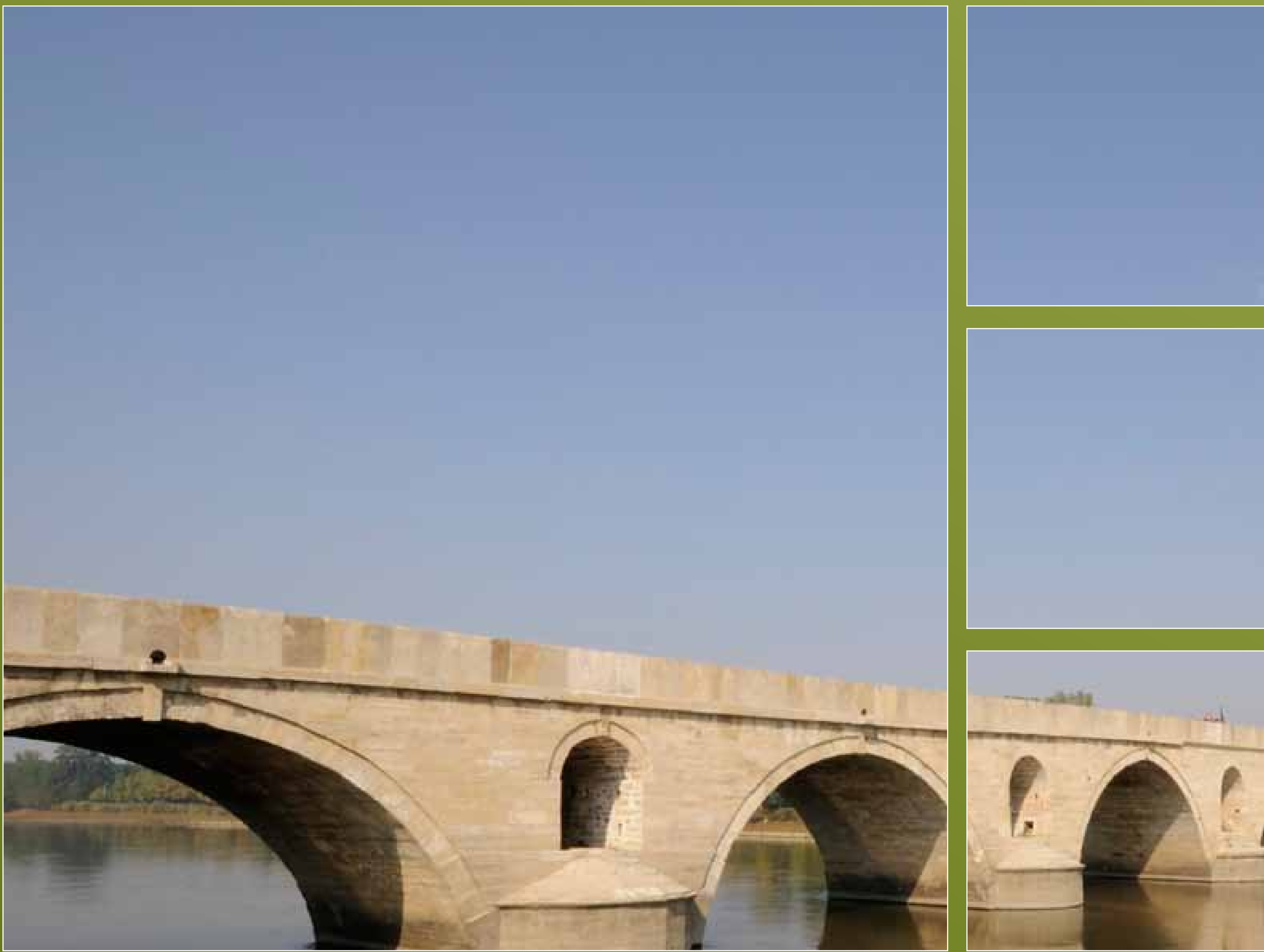
Akçansa is ranked 55th in the ISO listing, reflecting its successful performance supported by strong growth dynamics. Having tirelessly concentrated on continuous development, perfection, quality and leadership with the support of its forecasting ability, innovational strength and managerial capability, our Company was chosen as the Most Admired Company in its sector by the magazine, Capital, in 2010.

Akçansa is determined to improve its vision with respect to sustainable growth, and in the use of environmentally friendly technologies and manufacturing processes and to invest in renewable energy sources and waste fuel technology.

On behalf of our Board of Directors, we would to take this opportunity to extend our gratitude to all of our shareholders, as well as our customers who chose us, and our employees who unwaveringly helped Akçansa to ever higher achievements. The support of our stakeholders will make our contributions permanent in the creation of a better future for all of us.

We hereby present to you our 2010 Annual Report, financial statements, and dividend proposal prepared in accordance with the Capital Markets Law.

Mehmet Göçmen
Chairman



Sustainable structures
from the past taken to the future

Meriç Bridge, Edirne

We are here

in projects that raise the quality of life.

İstanbul subway
In this project, Betonsa products were preferred.

Akçansa aims to achieve “premium quality in production and service,” fulfill the demand of both domestic and foreign customers and compete beyond price.

Board of Directors

Mehmet Göçmen
Chairman
Term: December 31, 2009 - December 31, 2012
(1957) Upon graduating from Galatasaray Lycee and then the Industrial Engineering Department at Middle East Technical University, Mr. Mehmet Göçmen completed his Master's degree in Industrial Engineering and Operations Research at Syracuse University. He began his professional career at Çelik Halat ve Tel San. A.Ş. in 1983. Mr. Göçmen later was appointed as General Manager at Lafarge Ekmel Beton A.Ş. and Business Development and Public Affairs Vice Chairman position at Lafarge Turkey between 1996 and 2002. Serving as the General Manager of Akçansa between June 2003 and August 2008, Mr. Göçmen is currently the President of the Cement Group at Sabancı Holding.

Daniel Gauthier
Vice Chairman
Term: December 31, 2009 - December 31, 2012
(1957) Upon completing his degree in the Mining Engineering Department at Mons Polytechnic University, Mr. Daniel Gauthier began work at CBR, a subsidiary of HeidelbergCement in 1982. Mr. Gauthier has been a Board Member of HeidelbergCement since 2000. He is responsible for the Africa, Mediterranean, Northern Europe, and Western Europe regions, and Sustainable Environment and Group Services.

Ernest Gerard Jelito (*)
Member
Term: December 31, 2009 – March 01, 2011
(1958) Mr. 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 and 1999, he became Technical Director at Górazdze Cement S.A. in 1999. After serving in several positions at Górazdze Cement S.A. between 2001 and 2005, Mr. Jelito has worked with the Heidelberg Technology Center as Production and Engineering Director covering Northern Europe and Western Europe, Africa, and the Mediterranean countries since 2005.

(*) Ernest Gerard Jelito resigned from his duty as a Board member on March 1, 2011. A decision was taken to appoint Akhilesh Gupta as a Board member, taking office on March 1, 2011 and to serve for the resigning member's remaining term of office. The decision was presented to the approval of the General Board.

Ali Emir Adıgüzel
Member
Term: December 31, 2009 - December 31, 2012
(1960) Mr. Ali Emir Adıgüzel graduated from Harvard Business School and Boğaziçi University. His professional career began with a three-year posting in Saudi Arabia. Mr. Adıgüzel was appointed General Manager of HeidelbergCement Trading in 1996, and has worked as the Head of the Mediterranean (including Turkey), Middle East, and International Trade since 2004.

Faruk Bilen (*)
Member
Term: July 19, 2010-December 31, 2012
(1969) Faruk Bilen graduated with a dual-degree in Electronic Engineering from the University of Pennsylvania, USA, and Finance from the Wharton School. He also holds a master degree in management and business administration from the Harvard Business School. After working for several years as a manager in different companies both in Turkey and abroad, he joined Sabancı Group in 1996. Since September 1997, he has been the Chief Financial Officer of Sabancı Holding. He is also a board member of various Sabancı Group companies.

Mahmut Volkan Kara
Member
Term: December 17, 2009 - December 31, 2012
(1973) Volkan Kara graduated from the Robert College and from Department of Engineering at the Istanbul Technical University. He completed his post-graduate education and completed an MBA at the Kenan-Flagler Business School, North Carolina University, USA. Mr. Kara went on to work at Dell Computers in Austin, Texas, A.T. Kearney in Chicago, Illinois, and the Miller Brewing Co in Milwaukee, Wisconsin. He currently works as the Director of Corporate Strategy and Planning of Sabancı Holding.

(*) Ahmet Dördüncü resigned from his duty as a Board member on July 19, 2011. A decision was taken to appoint Faruk Bilen as a Board member taking office on July 19, 2011 and to serve for the resigning member's remaining term of office. The decision was presented to the approval of the General Board.

Executive Management

Hayrullah Hakan Gürdal
General Manager
(1968) Upon graduating from the Mechanical Engineering Department at Yıldız Technical University, Mr. Hayrullah Hakan Gürdal completed his Master's degree in International Business Administration at Istanbul University. He joined Çanakkale Cement in 1992 and was appointed as Akçansa's Strategy and Business Development Manager in 1996 and Assistant General Manager in charge of Trade in 1997. After working as an Assistant General Manager responsible for Concrete and Aggregate and Purchase and Logistics, he has been serving as the General Manager since August 1, 2008.

Cem May
Assistant General Manager - Cement Sales and Marketing
(1963) Mr. Cem May graduated from the Mechanical Engineering Department at Yıldız Technical University. He joined the cement sector in 1991 at Çanakkale Cement, and became the Akçansa Sales Manager of the Aegean Region and Northern Marmara Region in 1996 and in 2003, respectively. He has served as Assistant General Manager of Cement Sales and Marketing since July 2005.

Cenk Eren
Assistant General Manager - Ready-Mixed Concrete and Aggregate
(1969) Mr. Cenk Eren graduated from the Mechanical Engineering Department at Boğaziçi University. He began his professional career at Akçimento in 1993. Mr. Eren was appointed Strategy Development Specialist at Akçansa in 1996 and Manager of Cement Sales and Planning in 1998. He served as Manager of the Ready-Mixed Concrete Unit for the Western Marmara Region between 2002 and 2007. Mr. Eren became Assistant General Manager of Purchasing and Logistics in September 2007. Since August 1, 2008, he has worked as Assistant General Manager of Ready-Mixed Concrete and Aggregate.

Arvid Stjernberg
Assistant General Manager- Corporations
(1968) Mr. Arvid Stjernberg graduated from the Stockholm Royal Technology Institute in 1995 with a master's degree in Mechanical Engineering. Mr. Stjenberg joined HeidelbergCement/Cementa as a "Management Trainee" in the same year before going on to work at various technical and manufacturing-related positions in the company's Northern Europe organization. He has been serving at Akçansa as Assistant General Manager Responsible for Corporations since November 1, 2010.

Ergun Hepvar
Assistant General Manager - Purchase and Logistics
(1971) Mr. Ergun Hepvar graduated from the Department of Computer Engineering at METU in 1992 and completed an MBA from the Haas School of Business at U.C. Berkeley in 1999. Having started his career in 1992, Mr. Hepvar worked both in Turkey and abroad. He joined Sabancı Holding in 2005. He has been serving as the Assistant General Manager Responsible for Purchase and Logistics since October 18, 2010.

Gary Whitehead
Assistant General Manager - Finance
(1970) Mr. Gary Nicholas Whitehead graduated from the Department of Accounting and Finance at Southampton University in 1994. He joined Hanson Agrega in 1998 as the Management Accountant. He undertook senior financial duties with respect to Joint Service Center and Reporting, Auditing and Consolidation. He has been working as the Assistant General Manager Responsible for Finance at Akçansa since June 30, 2010.

İlkfer Akman
Assistant General Manager - Operations
(1951) Mr. İlkfer Akman is a graduate of the Electrical Engineering Department at Middle East Technical University. His first professional post was at Çitosan in 1975, and he held various positions at Petkim's Aliağa and the Saudi Arabian Quassim Cement Plants. Prior to the Akçansa merger, he worked as Assistant Technical General Manager at Çanakkale Cement. Following the establishment of Akçansa, he became Plant Manager for the Çanakkale and Büyükçekmece Plants. Mr. Akman then worked as a Regional Coordinator at HeidelbergCement-HTC for one year. In February 2006, he was appointed Plant Manager at Akçansa's Büyükçekmece Plant for the second time. Between June 1, 2008-November 1, 2010, Mr. Akman worked as Assistant General Manager of Operations.

Şeyda Pirinççioğlu
Assistant General Manager - Finance
(1971), Ms. Şeyda Pirinççioğlu graduated from the Economics and Finance Department at Pennsylvania Clarion University and completed her executive education at London Business School. Before joining HeidelbergCement Trading in 1999, Ms. Pirinççioğlu worked at investment banks in the USA, Turkey, and the United Kingdom. Between 2004 and 2008, she served as Finance Director at HeidelbergCement Trading. Between March 1, 2008-June 30, 2010, Ms. Pirinççioğlu worked as the Assistant General Manager of Finance at Akçansa.

Mehmet Öztürk
Büyükçekmece Plant Manager
(1960) Mr. Mehmet Öztürk graduated from the Electrical and Electronics Engineering Department at Middle East Technical University. He began his professional career in 1984 and held various positions. Prior to the Akçansa merger, Mr. Öztürk worked as the Energy Manager at Çanakkale Cement. Following the merger, he served as Energy Manager in the Çanakkale and Büyükçekmece Plants, Büyükçekmece Maintenance Manager, Project and Automation Manager, and Ladik Plant Manager. Mr. Öztürk was appointed Büyükçekmece Plant Manager on September 15, 2009.

Ali Kipri
Ladik Plant Manager
(1967) Upon graduating from the Mechanical Engineering Department at Middle East Technical University, Mr. Ali Kipri completed his Master's degree in International Business Administration at

the Business Administration and Economy Institute at Istanbul University. Mr. Kipri began his professional career in 1993 at Akçimento. In 2006, he was appointed Akçansa Büyükçekmece Plant Maintenance Manager. Subsequently, he served as Büyükçekmece Production Manager and Büyükçekmece Plant Assistant Manager. Mr. Kipri was appointed Ladik Plant Manager on September 15, 2009.

Ali Rıza Karakaş
Çanakkale Plant Manager
(1956) Upon graduating from the Faculty of Chemistry at Istanbul Technical University, Mr. Ali Rıza Karakaş completed his Master's degree in Chemical Engineering. In 1984, Mr. Karakaş joined Çanakkale Cement. He worked in various positions prior to his appointment as Clinker Production Manager in 1993. In 2005, Mr. Karakaş undertook the Çanakkale Plant Assistant Manager role in addition to his existing position as Production Manager. Mr. Karakaş has worked as Çanakkale Plant Manager since June 1, 2008.

Mehmet Noyan Buzcu
Karçimsa Manager
(1965) Mr. Mehmet Noyan Buzcu graduated in 1988 from the Industrial Engineering Department at Istanbul Technical University, and completed a Master's degree in Operational Management at New Hampshire College in the USA in 1990. Mr. Buzcu assumed his first career post as Planning Engineer at Akçimento in 1990. He 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. Mr. Buzcu was appointed Purchasing and Logistics Director in January 2009. He is currently serving as the Manager of Karçimsa.

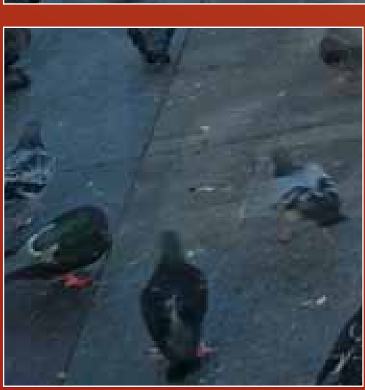
Umut Kısa
Internal Auditing Manager
(1977) Upon graduating from the Economics Department at Ankara University Faculty of Political Sciences, Mr. Umut Kısa completed his Master's degree in Business Administration at Kadir Has University. Having worked as an auditor and the director of auditing in various independent audit companies and banks between 1999 and 2010, Mr. Kısa has been serving as Internal Auditing Manager since January 6, 2010.

Ayferi Bağcı
Human Resources Manager
(1968) Ms. Ayferi Bağcı graduated from the English Education Department at Uludağ University. She attended the Personnel Management Master's program at the Istanbul University Business Administration and Economy Institute between 1991 and 1992. Ms. Bağcı began work as Organizational Development and Hiring Manager at Akçansa in October 1996 and became Human Resources Manager in 2009.

Umut Zenar
Strategy and Business Development Manager
(1980) Mr. Umut Zenar graduated from the International Relations Department at Boğaziçi University and then received his Master's degree in Business Administration at the same university. He commenced his professional career in 2003 and joined Akçansa in 2004. Mr. Zenar worked as Sales Specialist and Marketing and Planning Specialist within the Cement Sales and Marketing Unit between 2004 and 2008. Mr. Zenar has served as the Strategy and Business Development Manager since June 1, 2009.

Management Team



Egyptian Bazaar, İstanbul

Sustainable structures
from the past
taken to the future

We are here

in projects that add value to our region and to our lives.

Varyap Meridian, İstanbul
In this project, Betonsa products were preferred.

In its activities, Akçansa aims to add value to the region of its presence, as well as to the nation, to the community as a whole and to our lives.

Operations

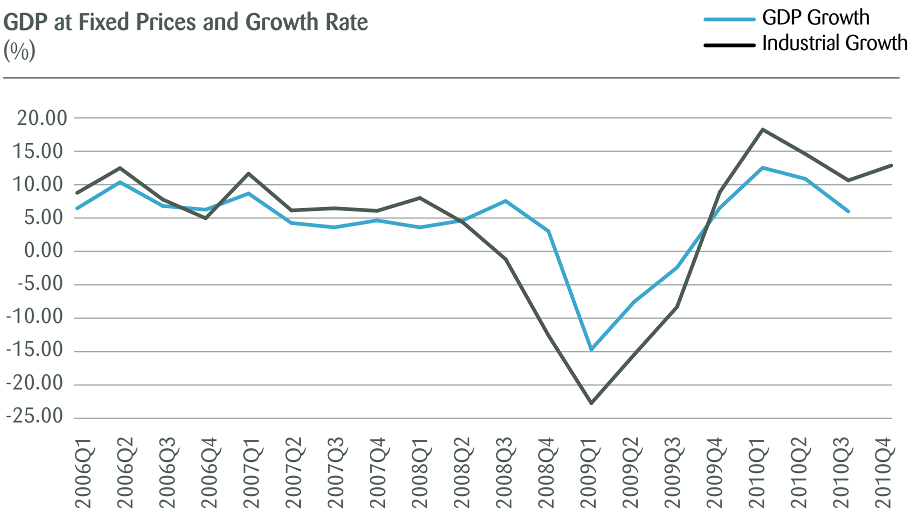
In Turkey...

Following the contraction in 2009, the Turkish economy attracted attention among emerging markets with its growth performance in 2010. The Turkish economy recorded 8.9% growth in the first nine-month period of 2010. The level of economic activity in Turkey in the last quarter of 2010 is a clear indication that this rapid economic growth is still continuing.

The strong growth performance demonstrated by the Turkish economy has supported the construction and real estate sectors. Construction has become the most rapidly growing sector with a growth rate of 24.9% in Q3/2010 and 18.4% in the first nine months of the year.

The rapid growth in private and public construction expenses grew stimulated the real estate sector. Activity in the residential and commercial real estate market has gradually increased in parallel with the rapid growth in the economy and rising domestic demand. As the market seeks new balances, housing prices in the property sector remain stable.

GDP at Fixed Prices and Growth Rate
(%)



Cement Operations

In the sector…

Based on Turkish Cement Manufacturers' Association (TCMA) figures, total cement production in the country was 62.6 million tons in 2010, an increase of 16% compared to the prior year. There was a 14% increase in clinker production, which reached 52.8 million tons in total.

On the other hand, domestic cement consumption rose by 17% to 50 million tons during the same period, bringing per capita cement consumption to 680 kg in Turkey. This figure is expected to increase to 1,000-1,200 kg on the back of further growth in the Turkish economy and rising development.

Looking at the Turkish domestic market in 2010 on a regional basis, the greatest increase in cement consumption was observed in the Eastern Anatolian Region (a 38% increase), followed by the Black Sea Region (25%), the Central Anatolian Region (22%), the Marmara Region (17% increase) and the Aegean Region (6% increase). Consumption in the Mediterranean Region remained at the same level as the previous year.

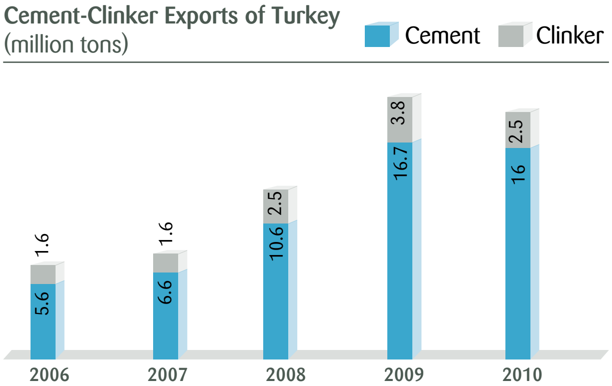
Turkey's cement and clinker exports in 2010 fell by 10% year-on-year to 18.5 million tons. Despite this fall, the level attained in 2010 is quite close to the amount of cement exports made in 2009. In 2010, Iraq, Syria, Libya and Egypt accounted for 58% of Turkey's cement exports.

Cement Production and Consumption in Turkey (million tons)*

	Production	Domestic Consumption
2006	47.4	41.6
2007	49.3	42.5
2008	51.4	40.6
2009	54	40
2010	62.6	47.4

* Source: * According to 2008-2009-2010 data from the Central Anatolian Exporter Unions (OAIB). Previous years' values include data from TCMA members. Producers that are not members are not included.

Cement-Clinker Exports of Turkey (million tons)



Operations

At Akçansa…

Sales
Akçansa's total domestic cement and clinker sales grew by 17% to reach 4.8 million tons in 2010. The Company's total exports rose by 9.4% year-on-year, to reach a record level of 2.8 million tons in 2010.

Production and Products
In 2010, Akçansa produced a total of 6.6 million tons of clinker and 6.4 million tons of cement at its Büyükçekmece, Çatalca, and Ladik plants. These volumes comprise 12.3% and 9.8% of total clinker and cement production in Turkey, respectively.

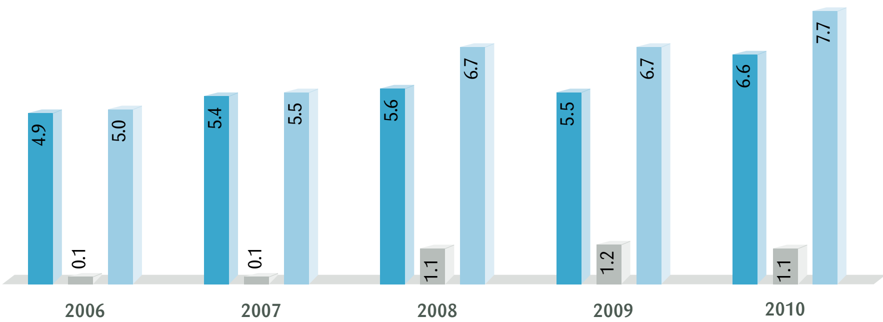
All Akçansa plants use the guidance of Occupational Health, Safety and Security System OHSAS 18001, Quality Management System BS EN ISO 9001:2000, and Environment Management System BS EN ISO 14001 in their production activities. All plants also successfully met the recertification requirements during periodic inspections conducted by the British Standards Institute (BSI).

Akçansa has acquired CEM II/B-L 32,5R CE certification from the Council for Quality and Environment and sulfate resisting cement TS 10157 SDÇ 42,5 R TSE certification from the Turkish Standards Institute. The product range was expanded through the development of high early strength CEM I 52,5 R cement, and certification process has been initiated for this new product.

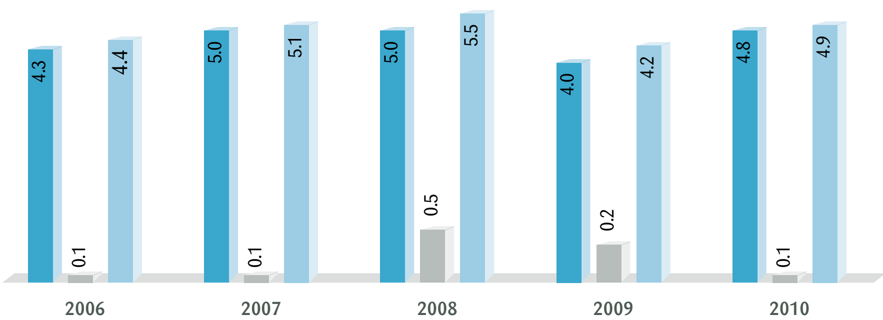
In 2010, initiatives for the continuous improvement of the Environment, Occupational Health and Safety Management Systems were implemented and awareness seminars were held for employees. Improvement of working conditions in the field and development of methods to prevent accidents

Total Sales
(million tons)

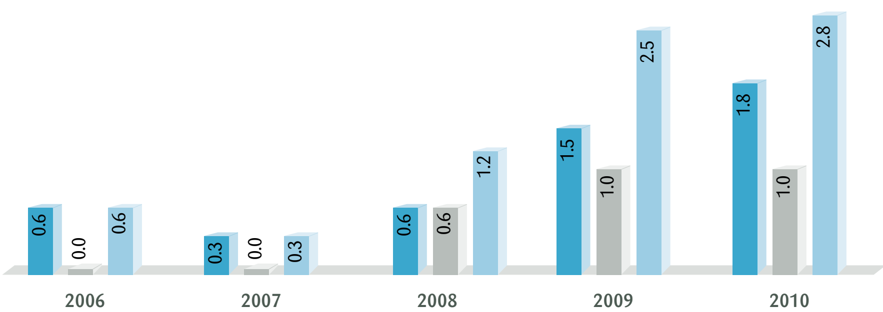
Cement Clinker Total



Domestic Sales
(million tons)



Exports
(million tons)



were effected through a wide range of initiatives. Employee health check-ups also continued through the year.

Akçansa operates laboratories in compliance with American Society for Testing and Materials (ASTM) standards. Tests conducted in all Akçansa laboratories are verified through the Company's participation in the Proficiency Sample program of the American Cement & Concrete Reference Laboratory, and the Heidelberg Round Robin tests.

Investments

Akçansa continued modernization, environment and cost optimization investments in 2010. Capital investment totaled TL 40.5 million for the year.

A strategic decision was made to generate energy through Wind Power and Waste Heat Recovery as part of the Renewable Energy Investments Project. Following this decision, on November 6, 2008, the Energy Market Regulatory Authority (EPDK) granted Akçansa the license necessary for an Electric Power Plant that will use waste gas from the Çanakkale Plant. Our application to the General Directorate of Foreign Investment has also been approved and an Incentive Certificate was received on December 22, 2008. An agreement for the design, engineering, and equipment supply for the Waste Heat Recovery Power Plant Project has been signed and the engineering phase is underway.

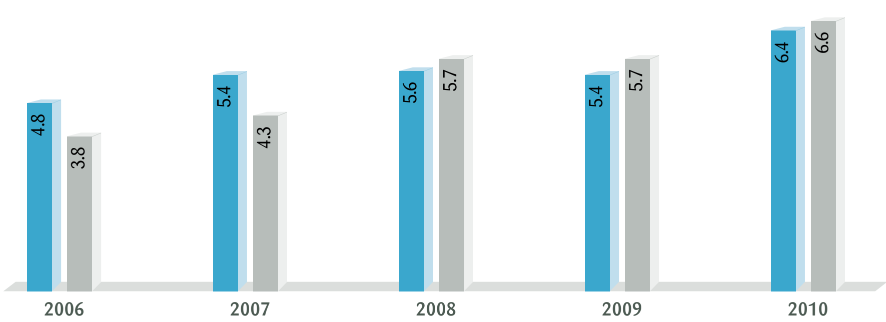
Following the completion of the domestic tender process, the Company began construction work on the plant in August 2010, and the groundbreaking ceremony was held on September 6th, 2010. Some 60% of the project had been completed as of December 2010. Akçansa plans to complete this investment in 2011, spending a total of USD 24 million on the investment.

The license application submitted by Akçansa for the Wind Energy Project was rejected by the Energy Market Regulatory Authority, as stated on its official communiqué dated October 2010.

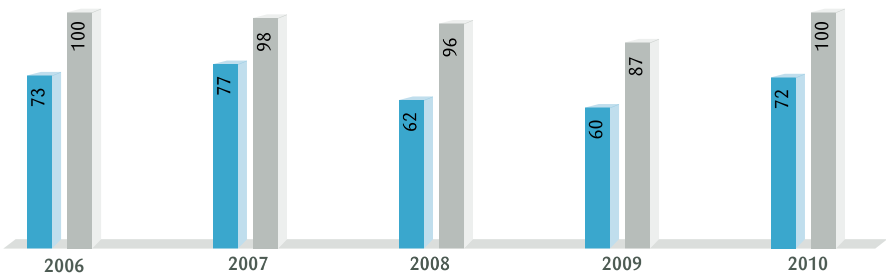
At the Çanakkale Plant,

- Akçansa initiated design, engineering and consultation work in its jetty expansion project at its dock, so that it able to serve vessels with capacity of 60,000 tons, while the EIA (Environmental Impact Assessment) file is still pending for approval;

Production
(million tons)



Capacity Utilization Rates
(%)



- Akçansa completed the renovation of Port no. 5 at the dock in June 2010. The port entered operation in June.
- Akçansa completed the investment for two covered sling-bag/big-bag stock houses, which aim to raise daily transportation volumes by allowing pre-stocking of exportable bagged cement at the coastal facilities.

The Company completed the construction of the sales terminal at the Samsun Yeşilyurt Dock for big-bag, sling-bag, packaged and bulk cement in July 2010. The terminal subsequently entered operation.

The Company started work on the project for the incineration of dried treated sludge at the Büyükçekmece Facility in a bit to reduce the consumption of coal. It also entered contracts for the imported equipment and signed contracts within the scope of the domestic tender. Detailed engineering work for the project is still carried out.

At the Ladik Factory, Akçansa completed and commissioned investments for the pulverized cinder warehouse, the low-quality cement storage and transportation system and the cement cooler in order to provide the necessary amount of cement required to meet the specifications of the Boyabat Hydroelectric Power Plant project.

The Company completed construction of the new bridge, which was built in place of Çatalca Stone Pit Bridge and which had been destroyed in floods during 2009. The bridge was opened to heavy goods traffic.

Operations

Product Types

DOMESTIC MARKET

TYPE	PRODUCT	STANDARD
CEM I 52.5 N	Portland Cement	TS EN 197-1/March 2002
CEM I 42.5 R	Portland Cement	TS EN 197-1/March 2002
CEM II/A- LL 42.5 R	Portland Calcareous Cement	TS EN 197-1/March 2002
CEM V/A (P-S) 32.5 N	Composite Cement	TS EN 197-1/March 2002
CEM II/ B- LL 3 2.5 N	Portland Calcareous Cement	TS EN 197-1/March 2002

INTERNATIONAL MARKET

CEM I 52.5N CE PM "NF"	Portland Cement	EU Standards EN 197-1, NF EN 197-1
CEM I 52.5N	Portland Cement	EU Standards EN 197-1
CEM I 42.5 R	Portland Cement	EU Standards EN 197-1
Type I/L.A	Portland Cement/Low Alkali	US Standards ASTM C 150
Type II/L.A	Portland Cement/Low Alkali	US Standards ASTM C 150
Type I-II/L.A	Portland Cement/Low Alkali	US Standards AASHTO M 85
CEM II/A- LL 42.5 R	Portland Calcareous Cement	EU Standards EN 197-1
Clinker	Portland Cement Clinker	EU Standards EN 197-1

Product Certification

Product Certificate	CEM I 52.5N CE PM "NF" Product Certificate from AFNOR France
Product Certificate	CEM I 52.5N Product Certificate from Turkish Standards Institute
Product Certificate	CEM I 42.5R Product Certificate from Turkish Standards Institute
Product Certificate	CEM II-A/M (P-L) 42.5R Product Certificate from Turkish Standards Institute
Product Certificate	CEM V/A (S-P) 32,5 N Product Certificate from Turkish Standards Institute
CE Product Certificate	CE Compliance Certificate for CEM V/A (P-S) 32.5 N from the Council for Quality and Environment
CE Product Certificate	CE Compliance Certificate for CEM I 52.5 N from the Council for Quality and Environment
CE Product Certificate	CE Compliance Certificate for CEM I 42.5 R from the Council for Quality and Environment
CE Product Certificate	CE Compliance Certificate for CEM II/A-LL 42.5 R from the Council for Quality and Environment
CE Product Certificate	CE Compliance Certificate for CEM II/B-LL 32.5 N from the Council for Quality and Environment

Ready-Mixed Concrete and Aggregate Operations

In the sector…

2010 was a 'year of recovery' for the construction sector, which is considered as the fuel of economy. The sector put an end to the uninterrupted contraction which has been ongoing since the last quarter of 2008 and began to grow again in 2010. The sector recorded an 8%, 21.9% and 24.6% growth in the first three quarters, respectively. As the most rapidly growing sector in the Turkish economy in the last two quarters, the construction sector overcame all impacts of the crisis in 2010 and is believed to close the year with a 15% growth in average.

In parallel with positive development in the construction sector, the ready-mixed concrete business line recovered and is expected to grow by 10% in 2010. Particularly, the increase observed in the number of branded houses projects which are carried out by major construction firms left its mark on 2011. Taking the 3rd place for long years following Spain and Italy in terms of total production volume, the Turkish ready-mixed concrete sector ranked 1st among European countries in 2009, according to ERMCO data.

The sector in aggregate in Turkey is widely dispersed with many production sites. The sector is concentrated in areas where raw materials can be procured with ease, and 300 million tons aggregate are produced in 600 active crushing, straining, and washing facilities.

At Akçansa…

Sales

Betonsa conducts Akçansa Ready-Mixed Concrete operations in the Aegean, Marmara, and Black Sea regions. The Division achieved sales of 5 million m^3 from 38 sites as of year-end 2010.

Produced in two different sites under the Agregasa brand, total aggregate sales reached 2 million tons in 2010.

Akçansa is gradually increasing its focus on customer-oriented projects. Akçansa aims for maximum customer satisfaction by utilizing its experience to provide solutions through identifying and meeting customer needs. Throughout 2010, Akçansa has been the preferred brand in many prestigious building projects carried out by numerous construction companies.

Specific-use products have been in the forefront in 2010. A wide range of specific use products developed to meet customer needs and building specifications has been offered to the market and has resulted in maximum customer satisfaction.

Making up 8% of total sales, specific use products sales have increased 71% compared to last year, 56% above the target.

Production and Products

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, at the Akçansa Ready-Mixed Concrete Facilities. In addition to these products, special customer demands are met with products in a variety of densities and aggregate unit size classes. These products include:

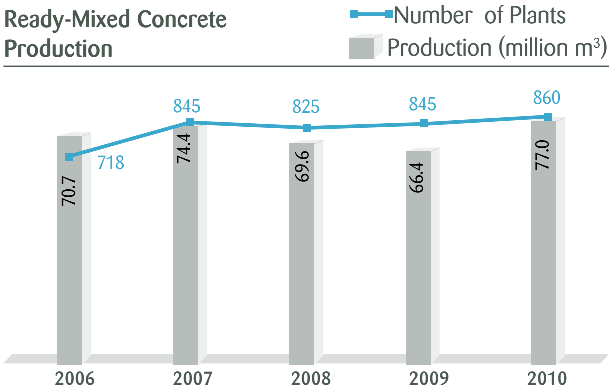
- Filler Concretes,
- High Performance Concrete,
- High Early Strength Concrete,
- Tunnel Framework Concrete,
- High-Rise Building Concrete,
- Concrete Types Conforming to Environmental Impact Classes.

All experiments and tests specified in standards related to raw materials and products can be performed in Turkish Standards Institute (TSE) Standards compliant laboratories at the TSE Certified Ready-Mixed Concrete Facilities. Certified with the Quality Assurance System (KGS) issued by the Turkish Ready-Mixed Concrete Association (THBB), the facilities undergo regular inspections by THBB and TSE.

In addition to these certifications, Betonsa employs the Integrated Management System which consists of the Quality Management System (ISO 9001), Environmental Management System (ISO 14001), and Occupational Health, Safety, and Security Management System (OHSAS 18001).

Facilities inaugurated during 2010 have been adapted to the system quickly to ensure the continuity of the Integrated Management System certification. During the year, Betonsa has successfully passed all announced and unannounced inspections conducted by KGS and TSE authorities.

Ready-Mixed Concrete Production



Betonsa	2006	2007	2008	2009	2010
Number of Plants	24	26	31	35	38
Sales (million m^3)	2.9	3.2	3.74	4.05	5.0
Agregasa					
Number of Plants	3	3	3	4	2
Sales (million tons)	1.2	1.6	1.9	1.5	2

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

Occupational Health, Safety, and Security

In line with Betonsa's understanding of Environmental and Occupational Health, Safety, and Security management, internal audits were conducted in all facilities and business lines in 2010 as planned as per the requirements of OHSAS 18001 and ISO 14001.

Mobile Equipments training was administered to nearly 400 Akçansa employees during 2010, in addition to Occupational Health, Safety, and Security trainings. The Mobile Equipments training increased the equipment operators' awareness about working techniques, potential occupational hazards, and the outcome of these occupational hazards.

Preventative and corrective actions were initiated for all nonconformance detected during inspections in accordance with the continuous improvement value that forms the foundation of all company activities. Details of occupational accidents were shared with the entire organization under the "Safety Warning" title as a proactive approach to prevent the recurrence of the same mistakes in other facilities.

Investments

2010 was a year in which Akçansa focused on major projects with high volume, and the company shaped all of its investments in this direction. The Company invested TL 11.7 million in ready-mixed concrete throughout the year. Akçansa aimed at maximum customer satisfaction either by establishing new facilities or by increasing the capacity of existing facilities within the scope of its investment projects. In 2010, the Company commissioned five new ready-mixed concrete plants (Tekirdağ, Bafra, Kavak, Bursa Nilüfer, and Izmir Gümüldür).

Having internalized environment-related aspects, as well as occupational health and safety, in every phase of its business, Akçansa pressed ahead with its investments in these fields in 2010. In 2010, the Company initiated the design of the BIGS project, in which the information flow between production systems and SAP will be handled through online integration, while implementing the smart transportation planning module. Within the framework of the project, the Company revised production systems at all plants and plans to commission Quality, Scales, and Maintenance and Center software modules in 2011.

Within the framework of the Agregasa Kemerburgaz Plant Renovation Project, the Company moved nearly 380,000 m^3 of materials and lowered the height of the bulk cement field, so the warehouse storing the cover soil naturally fits the topography without being an eyesore on the environment.

Akçansa is also renewing all automation systems and conducting infrastructural revisions at all of its plants. With this project, all processes will be controlled from a single center. These processes would range from the optimal management of vehicles and plants in the field through the Smart Transportation Module, to assessment of formula and resistance data with the Quality Module, and from automatic motoring of daily operating reports and inventories with the Scales Module to the control of costs with the Maintenance Module.

Marketing Activities

Akçansa adapts a market-oriented approach to create solutions for its customers and differentiates itself in the sector through its unique marketing strategies and diversified product range. Akçansa visits customers at their locations in order to provide maximum customer satisfaction. The Company also provides all kinds of technical assistance to their customers as a value add. Elimination of customer complaints and returning feedback in the shortest period of time make up the foundation of Akçansa's customer relationship policy.

Attracting a great deal of attention from participants, the Turkeybuild Istanbul Fair is well known as the largest trade show for the construction industry in the country. Akçansa participated in the Turkeybuild Istanbul 2010 Fair in May 2010. Akçansa's stand drew widespread attention at the exhibition.

Product Development

Betonsa continued its activities with respect to the following:

- gaining approving for the search and use of new raw material resources,
- quality control of raw materials purchased for the plants and approval of their use in production,
- preparation and optimization of concrete formulas without compromising quality or standards, and preparation of special designs in line with clients' wishes and needs,
- taking concrete samples from the concrete produced on a daily basis, in order to monitor standards; running necessary fresh and hardened concrete experiments,
- taking replicate samples and sending them to construction inspection laboratories,
- settling customer complaints with respect to the quality of concrete,
- providing customers with technical support and training on the quality of concrete,
- keeping facilities ready for quality and system inspections (KGS, TSE, ISO 9001, etc.) at all times,
- contributing to the company's publicity and strengthening its image by establishing close relations with building inspection authorities, independent laboratories, the Chamber of Civil Engineers, universities and customers.

Special Products

Viskobeton: Viskobeton is Betonsa's self-compacting concrete product. Viskobeton can be used in reinforcing projects, compactly reinforced members, urban construction sites, aesthetic mold designs, problematic and intricate molds, and places where it is not possible to use vibrators.

Viskotemel: Viskotemel is Betonsa's self-compacting concrete product that is specifically designed for use in foundations. Produced in C 30/37 or C 35/45 resistance classes, Viskotemel has a 50 cm minimum spreading property and offers a cost advantage and ease of implementation in projects that require impermeability through its low water/binding .

Viskokat: Viskokat is Betonsa's self-compacting concrete product that is specifically designed for use in horizontal building members. Produced in C 30/37 or C 35/45 resistance classes, Viskokat has a 55 cm minimum spreading property and offers a cost advantage and casting ease without requiring tedious surface correction labor.

Viskoperde: Viskoperde is Betonsa's self-compacting concrete product that is specifically designed for use in vertical building members. Produced in C 30/37 or C 35 /45 resistance classes, Viskoperde has a 65 cm minimum spreading property and an increased rate of fine aggregate, thus offering an easy application without the use of a vibrator by quickly passing through compact reinforcements.

Drabeton: Drabeton is a Betonsa concrete product with steel wire reinforcement. Places of use can include concrete floors, screed and protection concretes, concrete open areas, factory floors, parking lots, concrete highways, gas stations, stock areas, seamless concrete floors, cold storage floors, floor screeds, concrete toppings, coverings at ports, and shipyards.

Izoşap: Izoşap is Betonsa's light ready screed product. With its porous structure, Izoşap is lightweight and contributes to insulation. It is extremely viscous and can be conveyed by screed or concrete pumps. Its density is low; thus, it reduces unnecessary loads on the building.

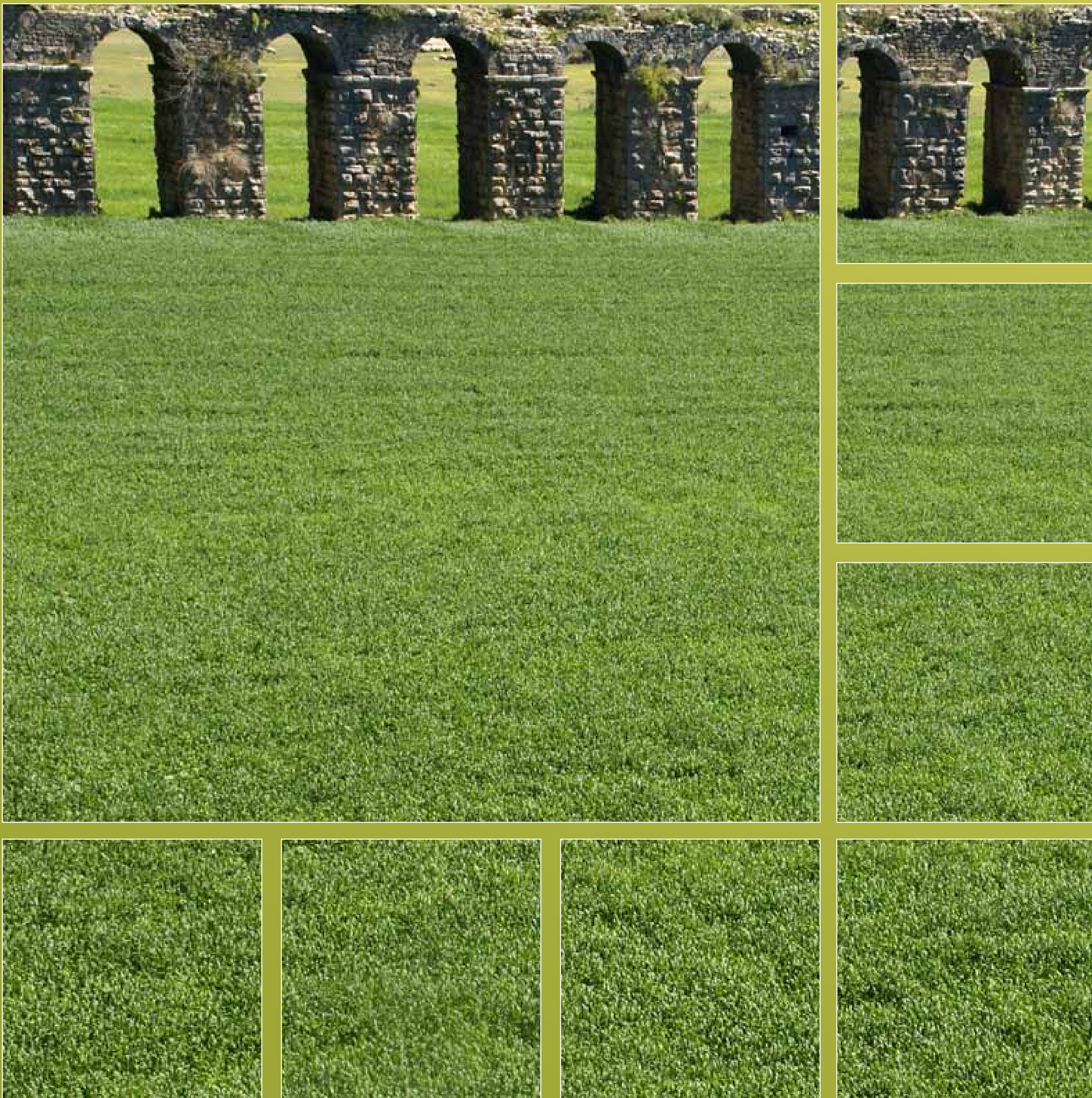
Dekobeton: Dekobeton is a decorative floor covering material system designed for exterior spaces. Some places of use for Dekobeton include garden arrangements, parks, poolsides, urban recreation areas, environmental landscaping, lanes, marinas and piers, shopping centers, parking lots and gas stations.

Pakbeton: Pakbeton is Betonsa's visible surface aggregated concrete product. It provides a natural and aesthetic appearance and can be used in all types of exterior floors. It makes walking on and holding onto the surface easy thanks to its pebble-like natural surface.

Ready Mixed Wet Plaster: Similar to ready mixed concrete, Ready Mixed Wet Plaster is produced in concrete plants, transported to the construction site by truck-mixers and can be kept up to 48 hours at the construction site under proper storage conditions, without losing its consistency. It is expected that the Ready Mixed Wet Plaster will go through a process similar to the one previously experienced in the market by ready mixed concrete during its competition against hand mixed concrete.

Fiberbeton: Fiberbeton is produced by adding polypropylene fibers to concrete in order to help prevent micro cracks and plastic shrinkage cracks likely to occur in high strength concretes and field concretes. In addition to preventing cracks in wet concrete, Fiberbeton helps increase fire resistance in hardened concrete.

Izobeton: Izobeton is Betonsa's lightweight concrete product used for insulation purposes. Its main places of use include as filler screed and concretes so as to avoid laying unnecessary loads on the construction; inner walls and floors of prefabricated buildings requiring heat and sound insulation; leveling or protection concrete applications below or above the water insulation level; aged grounds not requiring high resistance that need repair.



Aqueduct, Manavgat

We are here

as the leader of sustainability for a greener world

Sustainable structures
from the past taken to the future

Boyabat Dam, Sinop
In this project, Betonsa products were preferred.

Akçansa was once again the pioneer in its sector with the first GRI-approved sustainability report ever published in the Turkish cement sector.

Social Responsibility

Sustainability report
Akçansa firmly believes it can only carry out its activities with the support of the community and all its stakeholders. To this end, Akçansa prepared the first GRI-approved sustainability report ever published in the Turkish cement sector, once again playing the role of the pioneer its sector.

Akçansa's sustainability report was prepared at level "B" in accordance with the principles of the Global Reporting Initiative (GRI), a reporting standard used by companies that operate globally. With its first sustainability report, Akçansa became the first company in Turkey to be approved at this level.

With its sustainability report, Akçansa transparently disclosed its economic, environmental and social achievements, as well as its targets which it plans to put in practice in coming years.

www.akcansagriraporu.com

Contribution to the community
As the biggest player in the Turkish cement sector, Akçansa assumes as its duty to take its leadership, its sector and its prestige much further.

Considering the social contribution as part of its business, Akçansa steadfastly carries out social responsibility projects. Within this framework, Akçansa is a responsible corporate citizen which provides support to the regions of its presence, contributes to economic development with its factories and facilities and who designs projects on behalf of the public in such fields as sports, education and culture.

Akçansa combines its competitive strength, financial performance and technological capability for innovation, which extends from special products to use of alternative fuels and raw materials, with its respect to the environment its efforts in the field of social responsibility and its progressive practices in human resources to continuously cement its position as the sector leader.

While contributing to the national economy through employment, production and exports by making use of Turkey's natural resources through industrial investments, Akçansa utilizes the funds it generates from its industrial and commercial activities to create value in such fields as culture, art, education, sports and environment within the framework of social responsibility.

Joining forces with NGOs, local administrations and private institutions to lay claim to historical, cultural and natural values within the framework of social responsibility, Akçansa is responsible for a high number of joint projects.

In cooperation with MAG (Neighborhood Disaster Volunteers Foundation), Akçansa provided basic disaster awareness training to its employees at the Büyükçekmece Plant in 2010. Akçansa plans to ensure that employees who have shown ability as instructors take part in voluntary activities, working with the local community to raise awareness of disasters and provide training to tackle them.

Contribution to the environment
From alternative fuel and raw material use to environmental protection sensitivity, from occupational safety to work ethics, Akçansa maintains high standards of business conduct throughout its operations.

Akçansa makes environmentally sound investments in its production facilities and takes necessary protective measures to lessen the environmental impact of its operations. All filters as well as dust and gas emissions in main chimneys are monitored to ensure compliance with all legal requirements and are inspected annually by accredited institutions. Additionally, quarterly measurements for waste incineration in furnaces are reported to the Ministry of Environment and Forestry.

Akçansa turns a variety waste output into value for the good of both the environment and the economy. Akçansa's Büyükçekmece and Çanakkale Cement Plants are the first to have received the R134-001 and R117-001 alternative fuel utilization licenses from the Republic of Turkey Ministry of Environment and Forestry. The waste disposal issue is solved by incinerating waste in the cement plants, while preserving natural resources and significantly reducing carbon dioxide emissions into the atmosphere. Once the trial incineration was performed at the Ladik Plant, the Company received an alternative fuel incineration license.

A leader in the use of alternative fuels, Akçansa commissioned the accredited Akçansa Environment and Quality Laboratory, which was the first AFR (Alternative Fuels & Raw Materials) laboratory in the cement sector. The Laboratory provides cost-efficient, objective, independent and reliable service for all industries.

As the first company in the cement sector to procure waste by fulfilling all legal requirements regarding waste disposal, and the first company to invest in this field, Akçansa created the 'CO_2 Single Carbon, Double Oxygen' project with the slogan that "real value can be produced by not only collecting waste, but also by properly disposing of it". The website, www.atiginizibizegonderin.com, went on the net to draw attention to the project and to collect waste. The Company also contributes to a green environment by planting one tree in the Akçansa Regeneration Forest for every 10 tons of waste processed. The forest was created with saplings donated made to the TEMA (The Turkish Foundation for Combating Soil Erosion, Reforestation and Protection of Natural Habitats) Foundation.

Akçansa laid down the foundations of the 15.2 MW capacity Waste Heat Recycling Plant at the Çanakkale Factory. The recycling plant will generate energy from waste heat. The plant, which is planned to be commissioned in 2011, will save 105 million kWh of energy per year; in other words, 30% of the required energy will be generated from waste heat. The Waste Heat Recycling Plant enters operation will reduce CO_2 emissions by 60,000 tons per year as well as generating electricity.

Viewing the increasing number of environmentally friendly projects in the building sector as a very important step towards a better future for the world, Betonsa manufactures sustainable construction materials and contributes to the construction of green buildings, which are environmentally friendly and ecological and which reduce energy consumption. While environmentally friendly green buildings provide considerable amount energy savings, the use of recyclable materials in the construction of these buildings will help protect natural resources.

In order for a building to be green, it must use recyclable construction materials as well as being energy saving. In line with its sustainability targets, Akçansa is involved in green building projects as a solution partner. Green building projects have been carried out in Turkey for the last two years and Akçansa has supplied concrete for the first three such projects (Sabancı University Nanotechnology Research and Application Center, a hall of residence for Bosporus University Postgraduate Students and the Varyap Meridian Project).

Mining for construction aggregate requires removal of the top layer of soil in a geographic area and the storage of the soil in another location; the exposed bedrock is then processed into materials needed in the building sector. After the production process is completed, the mined area must be rehabilitated (bringing nature back to the state it was in prior) in order to return the area to an appropriate natural landscape.

Procuring its raw materials from nature, Akçansa, Turkey's leading cement, ready-mixed concrete, and aggregate producer, adopts a sustainable environment approach. That is, the Company conducts its production operations in compliance with all applicable laws and regulations and in a manner that does not damage human health and the environment. One of the most important indicators of Akçansa's sustainable environment approach is the rehabilitation project of the Kemerburgaz aggregate facility.

In an effort to make the area in which the top layer of soil was stored suitable to the topography of the natural surface, 380,000 m^3 of materials were shifted to match the ground level of this area to the surrounding area. In order to return the production area to the natural habitat state prior to the production activities, nearly 10,000 m^3 of brush was planted on the rehabilitated area, which was then prepared for forestation by the Ministry of Environment and Forestry. This area is planned to be reforested upon the return of the land to the Ministry of Environment and Forestry.

Social Responsibility

Contributions to Education

- The Büyükçekmece Fatih Sultan Mehmet Elementary School, which had became unusable after the earthquake in 1999, was reconstructed in cooperation between Akçansa and Büyükçekmece Municipality.

- After the repair of the Ezine Gökçebayır Elementary School in Çanakkale in 2009, Akçansa was involved in the rebuilding of the Pınarbaşı Elementary School in 2010, which has now been reopened to pupils.

- The Company constructed the Akçansa classroom at the Atatürk Elementary School in Ladik and provided the necessary conditions for pupils to enjoy a good education.

- In cooperation with the Büyükçekmece District Directorate of National Education, buildings at Akçansa's Büyükçekmece Plant were opened to education under the title of the "Akçansa Vocational Education Center".

- Akçansa sponsored the World Congress of Universities held at the Çanakkale 18 Mart University.

- Akçansa organized the "Concrete Ideas" project competition to facilitate university students' adaptation to business life, help them uncover their creativity and ensure they add value in the field they were educated in. The Company aims to make the contest a permanent fixture, which directs students to explore alternative fields of use for concrete and to draw up applicable projects for these fields.

- Akçansa hosted university students at its plants and informed them of sustainable production process of cement within the framework of Open Door Days, which are organized by TCMA (Turkish Cement Manufacturers' Association).

Betonsa organizes periodic training sessions toward raising awareness among society in general and people active in the sector. Among the participants of these seminars are:
- Customers,
- Engineers and technical employees from local and regional government authorities, and
- University students.

Concrete technology, concrete durability, and the importance of curing and maintenance as well as concrete spreading techniques in cold and hot weather are discussed at these training sessions. A large number of participants attended the "Concrete Symposiums" in 2010.

In 2010, programs including technical trips to cement plants and ready-mixed concrete facilities. In addition, seminars about cement and ready-mixed concrete production and technology were organized for university students. More than 1,000 concrete tests were conducted at the Betonsa Technology Center Laboratory in 2010 as part of the R&D, special product, and formula optimization work.

Human Resources

Akçansa recruited 82 people in 2010, corresponding to a 156% increase, year-on-year. The turnover rate for employees was 6.15% in 2010. After an organizational review, there were 126 employee movements (a 94% year-on-year increase) in 2010, 8 of which were reassignments, 34 being for organizational changes and 81 being promotions.

Akçansa focused its training sessions on areas of occupational health and safety, quality and environmental, as well as management skills, and personal and professional development. A total of 22,000 hours of training were provided to both internal and external employees in 2010, with Akçansa personnel each receiving an average 21 hours of training per employee - 27% more than in 2009.

As the first step of the implementation of Lean Six Sigma practices, training of executive managers was completed by the end of 2009, while consultations on the dissemination of the practices are ongoing. Within this framework, six projects were determined which identified the Company's primary processes and auxiliary processes; also, a SIPOC analysis of each process was conducted, where process flows were defined. As a result, KPI efforts were determined for each primary and auxiliary process and prioritizations, which will be inputs of the projects, were conducted. In the second half of 2010, necessary trainings and project monitoring support were provided to project leaders and team members under the supervision of consultants.

The "Management Meeting" was organized in November 2010 with the participation of Akçansa's management team. The 2010 annual evaluations and business outcomes as well as 2011 strategic targets were discussed during the meeting.

"Communication Meetings", with the attendance of all employees, were held at the Ladik, Çanakkale, and Büyükçekmece plants in January 2011 under the motto: "We can do the better – The key to success is in happy faces".

A total of 82.5% of our employees took part in the loyalty questionnaire in 2010. The results of the questionnaire were evaluated by all managers at various positions and employee representatives; the action plans, which were prepared in line with these results, were shared with employees at communication meetings.

As part of the Rewarding System, which aims to reward and honor teamwork and performance, teams that showed noteworthy achievement in 2010 were presented awards at the Communication Meetings.

Employee suggestions, made as part of the Suggestion System which aims to increase Akçansa's competitive strength and to propel the Company forward with innovative ideas from its workforce, increased in number by 4.5% to 1,844. The entire process was revised and optimizations were handled in 2010 in order to ensure that the Suggestion System worked more efficiently. This system aims to continuously improve/ develop business process which will raise efficiency and quality.

During the communication meetings, awards and placards were handed out to the employees, who were ranked in accordance with the criteria determined in the new Suggestion System, with separate awards for those chosen as the "OHS (occupational health and safety) personnel of the month".

The Social Activity Committee was active throughout the year and organized various sport, cultural and social events throughout the Company or on a location basis with the participation of employees' families.

- Location Picnics
- Theatrical plays and concerts
- Sabancı Olympics

The personnel continuity monitoring systems, which allow monitoring of employees' points, had previously been separately managed on a location basis. In 2010, these were merged into a single unit and began to be managed centrally. With this optimization, a central control system was created with rapid adaptation and reporting capability in updates.

The performance management process was turned into a web-based process through HRWorks. This prevented possible loss of information, while an evaluation process was set up with a stronger, more objective corporate face.

Maiden Tower, İstanbul

We are here

as the leader of advancement towards new horizons with ideas making the difference.

Sustainable structures
from the past taken to the future

Sinpaş Bosphorus City, İstanbul
In this project, Betonsa products were preferred.

As the largest player in the Turkish cement sector, Akçansa assumes as its duty to take its leadership, its sector and its prestige much further.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Report

1. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Akçansa Çimento Sanayi ve Ticaret A.Ş. (hereinafter referred to as the Company) complied with, and implemented, the Corporate Governance Principles published by the Capital Markets Board of Turkey (CMB) in the period 01 January 2010 - 31 December 2010.

PART I - SHAREHOLDERS

2. Shareholder Relations Unit

The Company set up a unit to maintain communication and contact with shareholders and to serve them. Headed by Şeyda Pirinççioğlu, Assistant General Manager – Finance (0216-571 30 20, seyda.pirinccioglu@akcansa.com.tr) until her resignation on 01 July 2010, the Unit has been managed thereafter by Gary Nicholas Whitehead, Assistant General – Finance. The Unit's other members include Hüsnü Dabak, Financial Affairs Manager (0216-5713025, husnu.dabak @akcansa.com.tr); Ayşen Özgürel, Accountant Specialist – Shareholder Relations (0216-5713030, aysen.ozgurel@akcansa.com.tr); Banu Üçer, Communications Specialist (0216-5713013, banu.ucer@akcansa.com.tr) and Onur Kerem Günel, Legal Advisor (0216-5713024, onur.gunel@akcansa.com.tr). The individuals serving on the Unit can also be reached at the fax number 0216 571 30 31. Shareholder Relations Unit handled capital increases, dividend payments to shareholders, updates on share certificate conversions, and disclosure of material events within the scope of the public disclosure project. Shareholders' queries in relation to the date of capital increase, dividend payment percentages and commencement date of dividend distribution, and participation in the General Meetings, save for confidential information and trade secrets, are responded to in writing, verbally or by email, in an accurate, complete, intelligible, and interpretable manner. The Company pays attention to take all necessary actions to assure investor satisfaction. In the fiscal year that ended on 31 December 2010, conversion formalities have been handled for 12 people as well as capital increase right of 140 others, and dividend payments were made to 302 people. The Company publicly discloses its operating results on a quarterly basis. The corporate website at www.akcansa.com.tr has been revamped so as to offer shareholders more detailed information on the Company's operations more regularly and to give them access to all Company-related data. Regular meetings were organized with all shareholders during the reporting period, upon request. One-on-one meetings were held with a total of 7 investors, in addition to three analyst meetings and a road-show. Apart from those, the Company took part in three investor conferences. The aim of these efforts is to fulfill its responsibilities arising from being a publicly traded company, public disclosure and transparency. The Company's Shareholder Relations Unit is staffed with experts who enlighten the investors on the Company's financial information. The Company abides by the Turkish Commercial Code and Capital Markets legislation, and spends best efforts to facilitate the shareholders' attendance to the General Meetings.

3. Shareholders' Exercise of their Right to Obtain Information

Shareholders requesting information are responded to in writing or verbally, in line with their preference. As per the Capital Markets legislation, announcements in relation to shareholders' exercise of their rights are announced via the İstanbul Stock Exchange (ISE), promulgated in the Turkish Trade Registry Gazette, as well as in a national newspaper and the highest-circulating newspaper published in the city where the Company's head office is located. Such announcements are also posted at www.akcansa.com.tr. Pursuant to the CMB communiqués, the Company is subject to auditing by an Independent Audit Firm. A request to have a special auditor appointed is not an individual right provided for under the Company's articles of association. No requests have been made of the Company for the appointment of a special auditor until 31 December 2010. The Audit Committee presents independent auditor's reports to the Board of Directors for approval. Reports accepted by the Board of Directors are publicly disclosed via the ISE. In addition, reports subjected to annual audit are laid down before the General Assembly of Shareholders for approval, upon which they are announced in the Trade Registry Gazette and posted at www.akcansa.com.tr. Pursuant to the capital market legislation, the Audit Committee nominated by the members of the Company's Board of Directors functions in accordance with the procedures. Utmost care is paid to ensure exercise of the rights mentioned below and set out by the Corporate Governance Principles, in addition to fundamental shareholding rights set forth under the Turkish Commercial Code and the Capital Market Law.

The shareholders' queries during the reporting period were about the Company's capital increases in previous periods, dividend distributions, and operating results for the related period. Requested information has been provided verbally or in writing to the shareholders in line with their demands. Shareholders can also follow-up current information about the Company from the website at www.akcansa.com.tr, as well as material event disclosures published by the Public Disclosure Platform (www.kap.gov.tr) and newspaper ads.

Within the frame of nearly 250 phone calls and emails received from shareholders, as well as one-on-one contacts until 31 December 2010, 150 written requests have been responded. To this end, information that might be of concern to shareholders was posted on www.akcansa.com.tr observing the timeframes for disclosure.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Report

4. Information on General Meetings

The Company conforms to the provisions of the Turkish Commercial Code, CMB legislation and the articles of association in announcements for convening the General Meeting. These announcements are promulgated in the Turkish Trade Registry Gazette and a national newspaper two weeks in advance of the meeting, excluding the dates of the General Meeting and of promulgation. They are also posted on the corporate website. The Company's share certificates are registered. When the agenda items are being voted, the quorum as set out in the Turkish Commercial Code is required. The approval of the General Assembly of Shareholders is sought in matters of an important nature such as amendments to the articles of association, merger, divestiture, election of Board of Directors members and/or statutory auditors, profit distribution, release of the Board of Directors members and statutory auditors from their fiduciary responsibilities, and approval of the annual report. Information such as minutes of General Meetings and attendance rosters are made available on the corporate website. Annual report, financial statements, dividend proposal, General Meeting agenda, specimen proxy statements, and documents in relation to the agenda items are made available at the Company's head office, in the highest-circulation newspaper and on the company website at least two weeks prior to the General Meeting. Within the frame of Corporate Governance Principles, invitations for the General Meetings are made available for the information of investors three weeks prior to the meeting date. The Company is required to be informed of requests to attend the General Meetings at least one week before the date of the meeting, in accordance with the Ministry of Trade and Industry Regulation concerning General Meetings of Capital Stock Companies and the Attendance of the Ministry's Representative at Such Meetings. During 2010, a General Meeting was convened on 29 March 2010 at the address Sabancı Center Hacı Ömer Sabancı Salonu 4. Levent / İSTANBUL with a quorum of 80.80% and with the participation of shareholders representing shares corresponding to TL 15,466,683,38.60. The invitation to the meeting was published in Milliyet daily of 5 March 2009 and in the Turkish Trade Registry Gazette issue 7515 dated 5 March 2009. At the General Meeting convened in 2010, all shareholders wishing to address the General Assembly have been given the chance to voice their opinions and direct their questions, all of which have been answered without any time restrictions by the Chair of the General Meeting Presiding Board. Minutes of General Meetings, attendance rosters, and the wording of the amendments to the articles of association are available for the review of shareholders at all times at www.akcansa.com.tr.

Decisions of a highly important nature as set out in the Turkish Commercial Code are laid down at the General Meeting for the approval of shareholders. Upon achieving legislative compliance of Corporate Governance Principles, all decisions of highly important nature that will be set forth under amended laws will be presented for the approval of shareholders at the General Meeting.

5. Voting Rights and Minority Rights

The articles of association grant no privileged or cumulative voting rights.

The articles of association contain no provisions governing cumulative voting rights based on the thought that such a right within the existing shareholding percentages and structure would be destructive on the Company's harmonious management structure. The matter will be addressed by the General Assembly of Shareholders as and when the same is regulated by applicable laws and minority shareholders are prevented from abusing cumulative voting right.

6. Dividend Distribution Policy and Timing

The Company has in place a publicly disclosed Dividend Distribution Policy, which covers the following principles:

The Dividend Distribution Policy espoused by the Company is based on the principle of distributing at least 50% of the attributable profit in cash to all shareholders having a stake in the Company's paid-in capital, in accordance with the CMB legislation. However, in general, the attributable profit is distributed in its entirety. No shares are privileged in terms of getting share from the profit. The General Assembly of Shareholders decides whether the dividends that must be distributed will be given in cash and/or bonus shares. The General Assembly of Shareholders may authorize the Board of Directors to distribute advances on dividends, limited to the relevant fiscal year only.

The Dividend Distribution Policy will be enforced provided that there are no negativities in national and global economic conditions and that the Company's capital adequacy ratio is at the targeted level. Akçansa Board of Directors is entitled to review the Dividend Distribution Policy annually in view of the future projects and available funds.

This information has been provided in the 2005 Annual Report as a separate section and presented to the shareholders prior to and during the General Meeting. The said annual report is accessible at www.akcansa.com.tr and is also posted within the shareholder information under the Investor Center section on the website.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Report

As per the provisions of the Company's articles of association, article 33 thereof sets out the manner of profit distribution.

The Company's dividends are paid within the legally prescribed periods of time.

No shareholders enjoy any privileges in terms of getting share from the profit.

7. Transfer of Shares
The Company's articles of association contain no clauses that restrict transfer of shares.

PART II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Information Policy
There is a Company information policy formulated in line with the CMB's Corporate Governance Principles. The information policy has been publicly disclosed by way of a Material Event Disclosure dated 29 April 2009 and since then, has been posted on www.akcansa.com.tr. Pursuant to the said policy, independently audited semi-annual and annual financial statements of the relevant year are disclosed to the public, as well as unaudited quarterly financial statements. Consolidated reports drawn up in line with International Financial Reporting Standards (IFRS-IAS) have been disclosed within the periods of time set by the CMB. Dates of press conferences to be held during the year will be announced to the public on our corporate website in advance. Information related to the Company are made available to the public via press bulletins, electronic mailing, text messaging, interviews given to the media and news agencies, announcements posted on the website, advertising and brochures. The Information Policy has been formulated and approved by the Board of Directors within the frame of CMB Corporate Governance Principles. It is the responsibility and authority of the Company's Board of Directors to monitor, supervise and improve the public disclosure and information policy of Akçansa Çimento Sanayi ve Ticaret A.Ş. The Company gives access to public disclosures made under the Information Policy via the corporate website as recommended by the CMB in its Corporate Governance Principles. Key headings made available on the website include the following:

- Detailed information on corporate identity
- Vision and key strategies
- Information on the members of the Board of Directors and executive team
- The Company's organization and shareholding structure
- The Company's articles of association
- Trade registry information
- Financial data
- Press releases
- CMB Material Event Disclosures
- Date and agenda of the General Meeting, explanations about agenda items
- Minutes of the General Meeting and attendance roster
- Specimen proxy statement
- Corporate Governance practices and compliance report
- Dividend distribution policy, history, and capital increases
- Information policy
- FAQ

9. Disclosure of Material Events
In the 2010 fiscal year, the Company made 11 material event disclosures for information sharing purposes pursuant to the communiqués of the CMB and ISE. The Company made available the material disclosures to shareholders via the ISE, within the frame of the public disclosure project.

These disclosures have been made in a timely manner and no sanctions have been imposed against the Company by the ISE.

The Company shares are not listed on any overseas stock exchange.

10. Company Internet Site and Its Content
Under the Corporate Governance Principles, the Company maintains a website accessible at www.akcansa.com.tr by shareholders and investors. The corporate website covers information such as corporate presentation, products and services, management

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Report

systems, financial indicators, annual reports, investor center, financial statements, information policy, environmental activities, social responsibility activities, and human resources policies.

The Company's website offers the information as stated in Section II, Article 1.11.5 of the CMB's Corporate Governance Principles.

11. Disclosure of Ultimate Non-corporate Controlling Shareholders
There are no ultimate non-corporate controlling shareholders in our Company.

12. Public Disclosure of insiders
Individuals who are in a position to access insider information are the members of the Board of Directors, statutory auditors, General Manager, Assistant General Manager (Finance), executives who are publicly disclosed under the heading "Executive Management" in the annual report, Financial Affairs Manager, Human Resources Manager, Internal Auditing Manager, Planning and Control Manager, Legal Advisor, the Independent Audit Firm, and all other department heads.

PART III - STAKEHOLDERS

13. Keeping Stakeholders Informed

STAKEHOLDERS

SHAREHOLDERS
Stakeholders learn about the Company-related developments by way of the public disclosures made pursuant to applicable legislation. As per the İstanbul Stock Exchange communiqués and the provisions of the Turkish Commercial Code, the Company announces topics such as annual and extraordinary General Meetings, capital increases and dividend distribution in the Trade Registry Gazette, material event disclosures, and a high-circulation newspaper within legally prescribed periods of time as per the applicable legislation. Other vehicles used for disclosure purposes include press conferences, press releases and interviews given to the media. Information, save for confidential information and trade secrets, is provided in an accurate, complete, intelligible, interpretable manner, and is made equally available to all.

CUSTOMERS
Within the frame of the importance attached to products, services and quality, the Company constantly works towards assuring customer satisfaction, which is measured by way of regular surveys. The Company plans training sessions and seminars targeting customers, which are carried out at regular intervals. In addition, the Company takes on research and development activities.

EMPLOYEES
All practices relating to the employees are carried out within the frame of the laws governing work life. Hiring, promotion, training and performance improvement policies and various practices are put into writing. Employee performance is evaluated in face-to-face meetings against targets defined at the beginning of each year and taking into consideration the related performance criteria. Positions are systematically evaluated employing an international "job evaluation system" based on the descriptions of the jobs available at the Company. The results of this system make up the basis of various HR practices and decisions.

Training and development needs of employees are regularly reviewed each year and annual training plans are formulated, in accordance with which identified needs are fulfilled.

There is a portal for employees, which gives access to all kinds of information and documents (company objectives, policies, job descriptions, practices, etc.) that might be of concern to them.

The Company maintains open communication on occupational health and safety matters with counterparties, shareholders and employees. OHSAS 18001 Occupational Health and Safety system is in place and successfully implemented at our plants.

The work is in progress at Akçansa to merge Quality, Environment and Occupational Health and Safety management systems under the Integrated Management Systems. At present, data entry is ongoing for all management systems into the QDMS software purchased for this purpose.

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Corporate Governance Principles Compliance Report

Stakeholders learn about the Company-related developments by way of the public disclosures made pursuant to applicable legislation.

Company employees are kept informed about their areas of expertise and topics of general interest through meetings, workshops, training courses and online notices.

14. Stakeholder Participation in Management
Employee participation in management is provided via internal periodic meetings (communication meetings, management meetings, functional meetings, talk sessions with the General Manager, etc.), annual goal-setting, performance appraisal, development planning meetings and the suggestion system. Also regular questionnaires are administered to measure employee satisfaction and receive feedback. Furthermore, the satisfaction of dealers and customers are measured at certain intervals. Under the Rewarding System that has been introduced in 2008, successful teams are rewarded every year.

15. Human Resources Policy
When determining Human Resources strategies and priority objectives at Akçansa, the Company takes into consideration the national and global economic conjuncture and the individual conditions specific to the cement, ready-mixed concrete and aggregate sectors in which we are active, as well as the Company's business goals. Within the frame of the importance it attaches to the human resource that is the key to its success, Akçansa gives every opportunity to its employees to achieve personal development, high performance and success on the back of training, performance appraisal, career development, organizational and HR achievement plans, compensation system and fringe benefits provided under Human Resources processes.

In order to guarantee the Company's long-term success, the Company collaborates with its shareholders Sabancı Holding and HeidelbergCement to maintain the modern HR practices; create an environment that is conducive to employee satisfaction and productive work; enhance the qualifications of our people and keep working towards preserving the positive image built, and continue to be a preferred employer; be a model company with best practices in human resources; attract and retain the most qualified human resource in the industry through the working conditions provided; create personal and professional training and development opportunities to its employees; base its compensation system upon fairness and rewarding high performance, under which salaries commensurate with the overall levels across the country are paid; unite its employees under an "Akçansa person" identity who possess analytical thinking ability, are customer-focused, team workers and cooperative, open to effective communication, highly willing to succeed and share achievements, while building their relationships upon mutual trust and respect. Other priorities of the Company include contributing to the "culture" aspect with a view to achieving the Company's vision; identifying the employees' expectations, and the areas in the organization that need further improvement and formulating action plans in relation thereto; enabling continual development and thus, supporting Company objectives and performance.

No representative has been appointed to conduct Company-employee relations. No complaints about discrimination were received from the employees either during 2010 or before.

16. Relations with Customers and Suppliers
Within the scope of its quality policy, the Company espouses mutual satisfaction principle for customers and suppliers. The Company fulfills customers' requirements and relevant external demands. The Quality Control Management System is constantly and regularly reviewed and supervised, while quality upgrade of products is encouraged. The Company makes sure that contractors and suppliers, whose activities might have an impact on the quality, fulfill their commitments in relation to quality.
The Company also organizes informative meetings to enhance awareness of quality among contractors and suppliers, form joint task forces to deal with the meeting participants' problems, and spends best endeavors to create an environment of efficient communication among the parties. Within the frame of importance attached to products, services and quality, the Company constantly works towards assuring customer satisfaction, which is measured by way of regular surveys. The Company plans training sessions and seminars targeting customers, which are carried out at regular intervals. In addition, the Company takes on research and development activities. Measures are taken to keep the information about customers and suppliers in confidence within the frame of internal trade secrets.

17. Social Responsibility
The Company spends every effort to achieve compliance with international standards for a cleaner environment.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Report

As spelled out in our ISO 14001 environmental policy, the Company's goals in this aspect are as follows:
Waste management and reduction through classifying and sorting wastes, recycling them if possible, and disposal of waste in licensed disposal facilities; incinerating own waste which can be used in our plants (where licenses and permits have been granted), evaluation of damage caused by waste to the environment, taking necessary preventive measures to minimize such damage; fulfilling legal obligations, providing required infrastructure and resources; imposing sanctions on our contractors where necessary and providing training. It is among the principal objectives of Akçansa to achieve sustainable development while protecting the environment and raising environmental awareness. Akçansa addresses the environment factor at all of its facilities in practice. There are lawsuits that have been lodged against the Company in relation to environmental issues.

Converting various wastes into value for the economy and the environment, Akçansa's cement plants in Büyükçekmece and Çanakkale boast being the first plants granted with the Ministry of Environment and Forestry R134-001 and R117-001 licenses, which authorize the use of alternative fuel. Incineration of wastes at cement plants serve to conserve natural resources and significantly reduces carbon dioxide emissions, while producing a solution for the highly challenging issue of waste disposal.

Acting on the mission of upholding Turkey's cultural heritage, Akçansa sponsored digging activities in the ancient city of Troy in Çanakkale and supported the preservation of historic and cultural legacy.

Our plants work with a view to enhancing the quality of community service offered by nearby municipalities, schools and public institutions, and provide financial support.

Further, the Company transcends its immediate environs in charitable donations and contributes to the country's social and cultural development through donations made via H.Ö. Sabancı Foundation within the frame of its commitment to social responsibility.

There are lawsuits that have been lodged against the Company in relation to environmental issues.

PART IV – BOARD OF DIRECTORS

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

Not all of the members of the Board of Directors are executive members. The positions held by the Board members are presented below. Introductory information on the members of the Board of Directors is provided in the annual report.

Chairman of the Board
Mehmet GÖÇMEN

Vice Chairman of the Board
Daniel H.J. GAUTHIER

Board Member
Ali Emir ADIGÜZEL

Board Member
Ernest Gerard JELITO

Board Member
Faruk BİLEN appointed on 19 July 2010.

Board Member
Ahmet Cemal DÖRDÜNCÜ resigned on 19 July 2010

Board Member
Mahmut Volkan KARA

Members of the Board of Directors may assume other post(s) outside of the Company. This matter is not governed by specific rules, nor is there any restriction thereupon.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Report

Based on the relevant decision of the General Assembly of Shareholders, Board members are entitled to carry out the transactions as set out in Articles 334 and 335 of the Turkish Commercial Code.

19. Qualifications of the Members of the Board of Directors
The qualifications the Company seeks in the members of the Board of Directors are aligned with those set out in the CMB's Corporate Governance Principles. The articles of association do not contain any provisions setting forth the minimum qualifications required of Board members.

Development programs have been designed and implemented for the members of the Board of Directors in cooperation with universities and other scientific institutions on a need basis, with a view to better tracking contemporary and modern advances in the management science.

20. Mission, Vision and Strategic Goals of the Company

VISION
"Sustainable growth beyond all boundaries". To grow beyond all boundaries in the building materials industry with a business model that is trusted and most preferred by all of our stakeholders.

MISSION
TO BE THE LEADING BUILDING MATERIALS COMPANY THAT ENRICHES SOCIETY'S QUALITY OF LIFE with a corporate culture committed to our social, environmental, legal, and ethical values and that creates value for

- Our customers with innovative products, services, and solutions,
- Our shareholders through superior financial performance,
- Our employees who are at the focal point of our business model through continuous professional development opportunities.

Three-year strategic goals of the Company are set by the Board of Directors upon conferring with the shareholders. Additionally, the Board of Directors approves annual budgets drawn up in line with these strategic goals.

The Board of Directors has precise information on the implementation of the decisions made on the basis of comparative presentations given by Company executives during Board meetings. In addition to comparison of forecasted and actual budget items for the current year, comparisons on year-on-year bases are also provided to the Board of Directors in these presentations. The Board of Directors repeats this process at least four times a year.

21. Risk Management and Internal Control Mechanism
An Internal Audit Manager and Internal Audit Specialist are appointed at the Company. Objectives and principles behind their activities are described hereinbelow. With the creation of the Audit Committee, these individuals effectively fulfill the tasks assigned thereto by the Board of Directors within the frame of the Audit Committee Bylaws.

Risk management is based on describing and monitoring all potential risks that our Company might be exposed to. The Company and our executives classified all potential risks, upon which necessary precautions have been adopted therefor. These include all types of financial risks such as asset-liability, credibility, capital/indebtedness, exchange rate risks and risk factors that may directly influence the financial position of the Company and natural risks, in relation to which all facilities are insured to minimize the risk posed by natural disasters such as fire, earthquake, etc., which may affect the performance of the Company. The SAP system is employed to prevent any loss of data and ensure systems are unaffected in the event of a disaster. This system allows instant tracking of operating results, as well as measurement and processing, aiding the decision support processes. Representing a key technological utility, the SAP enhanced the efficiency of the internal control mechanism by eliminating human errors. Investments have also been made in the Company's back-up system.

In parallel with the risk management and control system in place at our shareholders Hacı Ömer Sabancı Holding A.Ş. and HeidelbergCement Group, effective risk management processes have been devised and launched.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Report

22. Responsibilities and Authorities of the Members of the Board of Directors and Executives
The administrative right and representative powers vested in the Company's Board of Directors are set out in the articles of association. The authorities and responsibilities of executives, however, are not regulated by the Company's articles of association, but are specified by the Board of Directors.

23. Operating Principles of the Board of Directors
During 2010 fiscal year, the Company's Board of Directors held 46 meetings, of which four were face-to-face and 42 were carried out through obtaining written approval in line with the provisions of the Turkish Commercial Code and the articles of association. The agendas for the Board meetings are decided by the Chairman of the Board upon conferring with the current Board members and the General Manager. The agenda so determined and the contents of agenda items are compiled in a file by the preliminary informative committee and circulated to Board members one week before the relevant meeting to allow them time for necessary review and study.

There have been no dissenting opinions voiced against the decisions adopted by the members of the Board of Directors at the meetings held from 01 January 2010 through 31 December 2010.

When deciding on the subjects stated under Part IV, Article 2.17.4 of the CMB's Corporate Governance Principles, Board members, save for those with a justifiable excuse, were required to personally attend such Board meetings. No questions have been recorded in the minutes because no questions were posed by Board members. No weighted voting and/or vetoing rights are granted to the Board members in relation to these decisions.

24. Prohibition on Doing Business or Competing with the Company:
No member of the Board of Directors carried out any transaction with the Company or engaged in any activity that will constitute competition under the Company's scope during 2010 fiscal year.

25. Code of Ethics
The code of ethics espoused by our shareholder Sabancı Holding is also adopted and implemented by our Company. The employees are informed on the code through the booklets on ethical rules distributed to all employees, as well as informative training sessions. Current feedbacks of employees in relation to ethics are sought via the web-based "Sa-Ethics Year End Application".

26. Number, Structures and Independence of the Committees under the Board of Directors:
Two committees have been set up at the Company, which report to the Board of Directors: the Audit Committee and the Preliminary Informative Committee. Due to the fact that the Company's Board of Directors itself deals with the corporate governance principles and compliance therewith, it was not deemed necessary to set up a dedicated committee.

Owing to the existing constitution of the Audit Committee, there have been no conflicts of interest during 2010.

Preliminary Informative Committee carries out the necessary in-depth research and prepares detailed presentations in matters that will be laid down before the Board of Directors prior to Board meetings.

The Company's Internal Audit Manager submits his/her reports on Corporate Governance Principles issues to the members of the Audit Committee.

27. Remuneration of the Board of Directors
Unless otherwise decided by the General Assembly of Shareholders, no financial gains are provided to the members of the Board of Directors.

During 2010 fiscal year, the Company did not lend money or extend loans to any Board member, did not grant extension or improvement on any money lent or loans provided, nor has it extended credit to them under the name of personal loan or provided any guarantees such as surety through any third party

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Finansal Rasyolar:

LİKİDİTE ORANLARI		**31.12.2010**
Cari Oran	Dönen Varlıklar/KVY Kaynak	1,77
Asit Test Oranı	(Dönen Varlıklar-Stoklar)/KVY Kaynak	1,33
Stoklar/Cari Aktif	Stoklar/Dönen Varlıklar	0,25
İşletme Sermayesi	Dönen Varlıklar(Nakit ve Hb hariç)-KVY Borç (Krediler hariç)	143.473.356

MALİ BÜNYE ORANLARI		
Finansal Kaldıraç	(KV+UV Yab.Kaynaklar)/Aktif	0,33
Duran Varlıklar/Özkaynak		1,11
Finansal Borçlar/Özkaynak		0,24
Net Finansal Pozisyon	Net Varlıklar-Finansal Borçlar	(160.548.950)

KÂRLILIK ORANLARI		
Aktif Devir Hızı	Net Satışlar/Aktif Toplamı	0,66
Brüt Kâr Marjı	Brüt Satış Kârı/Net Satışlar	0,14
Aktif Verimliliği	Net Kâr/Aktif Toplamı	0,05
Faaliyet Kârı/Satış Hasılatı		0,09
Hisse Başına Net Kazanç		0,31

Nakit Varlıklar	40.167.702
Finansal Borçlar	(200.716.652)
Net Finansal Pozisyon	(160.548.950)

Ticari Alacaklar	183.146.207
Diğer Alacaklar	10.194.172
Stoklar	76.501.580
Ticari Borçlar	(110.349.022)
Diğer Borçlar	(16.019.581)
Net İşletme Sermayesi	143.473.356

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Planned actions for improving the Company's financial structure:
Keeping a close eye on the current market conditions, Akçansa carries on with hedging activities that are aimed at strengthening the working capital, constantly improving the cost structure, balancing the cash inflow and outflow linked to foreign currency, and supporting the solid financing capability, which are also aligned with the Company's procedures.

Labor movement, collective labor agreement implementations, rights and benefits provided to the personnel and workers:
As of 31 December 2010, the consolidated number of personnel stands at 1,085.

Cement Industry Employers' Union, of which the Company is a member, and Çimse-İş Labor Union reached an agreement in collective bargaining negotiations and a collective labor agreement was signed on 20 March 2008 covering the period 01 January 2008 – 31 December 2010. According to the provisions of the collective labor agreement; monthly gross base hourly rates on 31 December 2007 will be raised, effective 01 January 2008, by 12% (twelve per cent) per annum at once in the first year; in the second year, base hourly rates will be raised by the year-to-year percentage change of the index of the T.R. Prime Ministry TURKSTAT (Turkish Statistical Institute) 2003=100 Basic Annual Consumer Prices Index, applicable for the period 01 January 2008 - 31 December 2008, effective 01 January 2009. In the third year, the raise, effective 01 January 2010, will be equal to the year-to-year percentage change of the index of the T.R. Prime Ministry TURKSTAT 2003=100 Basic Annual Consumer Prices Index, applicable for the period 01 January 2010 - 31 March 2010, plus three points.

The collective labor agreement that was in force at our work place expired on 31 December 2010, and the collective bargaining negotiations for the new term started on 07 January 2011 between the Cement Industry Employers' Union, of which the Company is a member, and the relevant labor union, i.e. Çimse-İş Labor Union.

Pursuant to the collective agreement, seniority bonuses are paid in the months that coincide with the completion of each five-year term of seniority of employees.

Information on charitable grants and donations made during the reporting period:
During the twelve months to end 2010, the Company's charitable grants and donations on consolidated basis amounted to TL 2,031,021.69, to educational institutions, in particular, as well as to some other public institutions and organizations.

Amendments made to the articles of association during the reporting period and the reasons therefor:
No amendments were made to the Company's articles of association during the 01 January 2010 – 31 December 2010 period.

Quality and amount of issued capital market instruments, if applicable:
N/A.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated Financial Statements as of December 31, 2010 Together With The Report of The Independent Auditor

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Independent Auditor's Report

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 Group") which comprise the consolidated balance sheet as at December 31, 2010, consolidated income statement, consolidated comprehensive 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 consolidated 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, 2010, and its financial performance and cash flows for the year then ended in accordance with financial reporting standards published by Capital Market Board.

Other

The audit of the Group's consolidated financial statements for the year ended December 31, 2009 was performed by another independent auditing firm. The predecessor auditing firm expressed an unqualified opinion in the auditor's report dated February 19, 2010 on the consolidated financial statements as of December 31, December 2009.

Additional paragraph for convenience translation into English

The accounting principles described in Note 2 to the consolidated financial statements (defined as "CMB Financial Reporting Standards") differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

İstanbul, February 21, 2011

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Berkman Özata

Partner

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated Balance Sheet as at December 31, 2010

(Currency - Turkish Lira (TL))

Assets	Notes	Current period audited December 31, 2010	Prior period audited December 31, 2009
Current assets		**310.009.661**	267.291.487
Cash and cash equivalents	6	**40.167.702**	40.091.509
Financial investments	7	**-**	-
Trade receivables	10	**183.146.207**	156.834.403
- Trade receivables from related parties	37	**25.491.986**	21.691.517
- Other trade receivables		**157.654.221**	135.142.886
Receivables from financial sector operations	12	**-**	-
Other receivables	11,37	**7.869.906**	4.859.105
Inventories	13	**76.501.580**	63.465.558
Biological assets	14	**-**	-
Other current assets	26	**2.324.266**	2.040.912
		310.009.661	267.291.487
Assets held for sale	34	**-**	-
Non-current assets		**921.797.160**	894.348.831
Trade receivables	10	**-**	-
Receivables from financial sector operations	12	**-**	-
Other receivables	11	**242.295**	20.690
Financial investments	7	**147.698.124**	118.246.896
Investments accounted under equity method	27	**-**	-
Biological assets	14	**-**	-
Investment properties	17	**-**	-
Property, plant and equipment	18	**600.408.583**	601.307.288
Intangibles	19	**35.795.399**	35.920.835
Goodwill	20	**129.457.887**	129.457.887
Deferred tax asset	35	**1.905.201**	1.962.142
Other non-current assets	26	**6.289.671**	7.433.093
Total assets		**1.231.806.821**	1.161.640.318

The accompanying policies and explanatory notes on pages 55 through 110 form an integral part of the financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated Balance Sheet as at December 31, 2010

(Currency - Turkish Lira (TL))

Liabilities	**Notes**	**Current period audited December 31, 2010**	Prior period audited December 31, 2009
Current liabilities		**175.503.708**	195.119.386
Financial liabilities	8, 37	**49.135.105**	96.678.800
- Payables from financial borrowings		**48.538.354**	93.855.870
- Payables from financial leases		**596.751**	2.822.930
Other financial liabilities	9	**-**	2.632.803
Trade payables	10	**110.349.022**	82.260.281
-Trade payables to related parties	37	**3.978.436**	1.555.262
-Other trade payables		**106.370.586**	80.705.019
Other payables	11, 37	**9.966.411**	6.988.245
Liabilities due to financial sector operations	12	**-**	-
Government incentives and grants	21	**-**	-
Income tax payable	35	**1.500.241**	2.439.991
Provisions	22	**4.552.929**	4.086.386
Other current liabilities	26	**-**	32.880
		175.503.708	195.119.386
Liabilities to assets held for sale	34	**-**	-
Non-current liabilities		**215.167.074**	147.294.358
Financial liabilities	8,37	**151.581.547**	91.647.962
- Payables from financial borrowings		**150.943.365**	90.678.074
- Payables from financial leases		**638.182**	969.888
Other financial liabilities	9	**-**	-
Trade payables	10	**-**	-
Other payables	11	**-**	-
Liabilities due to financial sector operations	12	**-**	-
Government incentives and grants	21	**-**	-
Provisions	22	**2.615.726**	2.462.961
Reserve for employee benefits	24	**16.453.559**	13.645.992
Deferred tax liability	35	**44.516.242**	39.537.443
Other non - current liabilities	26	**-**	-
Shareholders' equity		**841.136.039**	819.226.574
Equity attributable equity holders of the parent	27	**830.295.205**	808.493.888
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		**102.965.139**	74.921.074
Actuarial gain/loss		**(320.518)**	(254.656)
Currency translation difference		**-**	-
Restricted reserves allocated from net profit		**87.576.615**	78.033.880
Retained earnings		**156.189.595**	156.160.570
Net profit for the year		**59.259.724**	75.008.370
Non-controlling interest	27	**10.840.834**	10.732.686
Total liabilities and shareholders' equity		**1.231.806.821**	1.161.640.318

The accompanying policies and explanatory notes on pages 55 through 110 form an integral part of the financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated Income Statement for the Year Ended December 31, 2010

(Currency - Turkish Lira (TL))

	Notes	**Current period audited January 1 - December 31, 2010**	Prior period audited January 1 – December 31, 2009
Continuing operations			
Net sales	28	**817.352.286**	709.593.804
Cost of sales (-)	28	**(705.282.161)**	(570.647.670)
Gross profit from business activities		**112.070.125**	138.946.134
Interest, fee, premium, commission and other income		**-**	-
Interest, fee, premium, commission and other expense (-)		**-**	-
Gross profit from finance sector operations		**-**	-
Gross profit		**112.070.125**	138.946.134
Selling, marketing and distribution expense (-)	29,30	**(8.187.288)**	(8.641.731)
General and administrative expense (-)	29,30	**(26.092.170)**	(20.512.525)
Research and development expense (-)	29,30	**-**	-
Other operating income	31	**2.874.058**	4.679.476
Other operating expense (-)	31	**(8.873.841)**	(14.114.038)
Operating profit		**71.790.884**	100.357.316
Profit/loss from investments accounted under equity method		**-**	-
Financial income	32	**37.904.056**	30.840.005
Financial expense (-)	33	**(37.398.845)**	(41.797.376)
Net income before taxes from continuing operations		**72.296.095**	89.399.945
		(12.928.223)	(14.860.951)
- Tax income/(expense) for the period			
- Deferred tax income/(expense)	35	**(9.352.020)**	(16.191.630)
	35	**(3.576.203)**	1.330.679
Tax income/expense for continuing operations			
		59.367.872	74.538.994
Continuing operations net profit			
Discontinuing operations			
		-	-
Net profit/loss after taxes from discontinuing operations			
		59.367.872	74.538.994
Net profit			
Attributable to:	27	**108.148**	(469.376)
Non-controlling interest	27	**59.259.724**	75.008.370
Equity holders of the parent			
	27	**0,31**	0,39
Earnings per share (Kr)			
		0,31	0,39
Earnings per share from continuing operations (Kr)			
		19.144.706.825	19.144.706.825
Weighted average number of shares			

The accompanying policies and explanatory notes on pages 55 through 110 form an integral part of the financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated Comprehensive Income Statement for the Year Ended December 31, 2010

(Currency - Turkish Lira (TL))

	Notes	Current period audited January 1 - December 31, 2010	Prior period audited January 1 -December 31, 2009
Net profit		**59.367.872**	74.538.994
Other Comprehensive Income:			
Change in value increase fund of financial asset	27	**29.520.068**	54.566.137
Actuarial Loss		**(82.328)**	(318.320)
Tax gain/loss regarding other comprehensive income accounts	27	**(1.459.537)**	(3.879.550)
Other Comprehensive Income (after tax)		**27.978.203**	50.368.267
Total Comprehensive Income		**87.346.075**	124.907.261
Distribution of total comprehensive income:			
Non-controlling Interest		**108.148**	(469.376)
Equity holders of the parent		**87.237.927**	125.376.637

The accompanying policies and explanatory notes on pages 55 through 110 form an integral part of the financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated Statement of Changes in Equity for the Year Ended December 31, 2010

(Currency - Turkish Lira (TL))

	Paid-in share capital	Inflation adjustment to paid-in share capital	Restricted reserves
Balance at January 1, 2009	191.447.068	233.177.582	67.943.530
Transfers	-	-	10.090.350
Dividends paid (Note 36)	-	-	-
Current year profit	-	-	-
Other comprehensive income - Net unrealized gain on financial assets (Note 7)	-	-	-
Other comprehensive income-Actuarial loss	-	-	-
Tax income/change related with other comprehensive income (Note 35)	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Balance at December 31, 2009	191.447.068	233.177.582	78.033.880
Balance at January 1, 2010	**191.447.068**	**233.177.582**	**78.033.880**
Transfers	**-**	**-**	**9.542.735**
Dividends paid (Note 36)	**-**	**-**	**-**
Current year profit	**-**	**-**	**-**
Other comprehensive income - Net unrealized gain on financial assets (Note 7)	**-**	**-**	**-**
Other comprehensive income – Fund transferred to income statement due to the disposal of financial assets	**-**	**-**	**-**
Other comprehensive income-Actuarial loss (Note 24)	**-**	**-**	**-**
Tax income/change related with other comprehensive income (Note 35)	**-**	**-**	**-**
Total other comprehensive income	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**
Balance at December 31, 2009	**191.447.068**	**233.177.582**	**87.576.615**

The accompanying policies and explanatory notes on pages 55 through 110 form an integral part of the financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated Statement of Changes in Equity for the Year Ended December 31, 2010

(Currency - Turkish Lira (TL))

Value increase fund	Actuarial gain/ loss	Net profit for the year	Retained earnings	Parent company's equity	Non-controlling interest (Note 27)	Total shareholders' equity
24.298.151	-	104.269.708	131.983.269	753.119.308	11.456.862	764.576.170
-	-	(104.269.708)	94.179.358	-	-	-
-	-	-	(70.002.057)	(70.002.057)	(254.800)	(70.256.857)
-	-	75.008.370	-	75.008.370	(469.376)	74.538.994
54.566.137	-	-	-	54.566.137	-	54.566.137
-	(318.320)	-	-	(318.320)	-	(318.320)
(3.943.214)	63.664	-	-	(3.879.550)	-	(3.879.550)
50.622.923	(254.656)	-	-	50.368.267	-	50.368.267
50.622.923	(254.656)	75.008.370	-	125.376.637	(469.376)	124.907.261
74.921.074	(254.656)	75.008.370	156.160.570	808.493.888	10.732.686	819.226.574
74.921.074	**(254.656)**	**75.008.370**	**156.160.570**	**808.493.888**	**10.732.686**	**819.226.574**
-	**-**	**(75.008.370)**	**65.465.635**	**-**	**-**	**-**
-	**-**	**-**	**(65.436.610)**	**(65.436.610)**	**-**	**(65.436.610)**
-	**-**	**59.259.724**	**-**	**59.259.724**	**108.148**	**59.367.872**
29.719.872	**-**	**-**	**-**	**29.719.872**	**-**	**29.719.872**
(199.804)	**-**	**-**	**-**	**(199.804)**	**-**	**(199.804)**
-	**(82.328)**		**-**	**(82.328)**	**-**	**(82.328)**
(1.476.003)	**16.466**	**-**	**-**	**(1.459.537)**	**-**	**(1.459.537)**
28.044.065	**(65.862)**	**-**	**-**	**27.978.203**	**-**	**27.978.203**
28.044.065	**(65.862)**	**59.259.724**	**-**	**87.237.927**	**108.148**	**87.346.075**
102.965.139	**(320.518)**	**59.259.724**	**156.189.595**	**830.295.205**	**10.840.834**	**841.136.039**

The accompanying policies and explanatory notes on pages 55 through 110 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, 2010

(Para birimi - Türk Lirası (TL))

	Notes	Current period Audited December 31, 2010	Prior period Audited December 31, 2009
Cash flows from operating activities			
Profit before tax and non-controlling interest		**72.296.095**	89.399.945
Reconciliation between net profit before taxation and cash generated from operating activities:			
Unrealized foreign exchange expense/income		**(7.247.683)**	13.240.622
Depreciation and amortization	18, 19, 30	**54.884.168**	57.702.162
Provision for employee termination benefits	24	**3.603.951**	1.765.798
Seniority incentive premium	24	**924.895**	744.543
Recultivation provision, net	22	**152.765**	470.899
Gain on sale of property, plant and equipment	31	**(325.292)**	(159.551)
Interest expense	33	**12.474.088**	14.206.627
Provision for doubtful receivables	10	**817.634**	2.360.568
Dividend income	32	**(8.151.119)**	(6.683.009)
Gain on sale of available for sale financial assets	32	**(1.364.968)**	-
Provision for litigations, net	22	**303.095**	252.847
Provision for inventory valuation	13	**1.166.000**	1.180.171
Bonus accruals to be paid to executive management	22	**500.000**	560.000
Operating profit before changes in operating assets and liabilities		**130.033.629**	175.041.622
Net changes in operating assets and liabilities			
Trade receivables		**(27.706.874)**	(40.910.060)
Other receivables		**582.099**	(3.267.541)
Inventories		**(14.202.022)**	24.462.147
Other current assets		**(283.354)**	889.319
Other non current assets		**1.143.422**	(5.663.925)
Trade payables		**28.088.741**	28.304.850
Other payables		**2.978.166**	(2.603.587)
Other liabilities		**-**	45.270
Provisions		**339.568**	321.358
Taxes paid		**(10.291.770)**	(13.751.639)
Employee termination benefits paid	24	**(1.329.884)**	(2.460.402)
Bonuses paid	22	**(560.000)**	(550.000)
Fines paid	22	**(116.120)**	(874.750)
Severance indemnity payments	24	**(473.723)**	(910.961)
Collections from doubtful receivables	10	**355.831**	597.835
Net cash provided by operating activities		**108.557.709**	158.669.536
Cash flows from investing activities			
Proceeds from sale of financial assets		**1.433.808**	-
Purchase of property, plant and equipment, net	18	**(50.897.996)**	(11.774.645)
Purchase of intangible assets	19	**(991.398)**	(2.852.703)
Proceeds from sale of property, plant and equipment		**772.626**	1.111.729
Dividends received	32	**8.151.119**	6.683.009
Net cash used in investing activities		**(41.531.841)**	(6.832.610)
Cash flows from financing activities			
Proceeds from short-term borrowings		**197.615.863**	176.454.768
Proceeds from long-term borrowings		**120.000.000**	-
Repayment of short term borrowings		**(299.222.907)**	(231.889.512)
Proceeds from forward transactions		**(3.592.900)**	7.007.256
Dividend paid to non-controlling interest		**(65.436.610)**	(70.002.057)
Dividend paid		**-**	(254.800)
Repayment of finance lease obligations		**(3.034.723)**	(5.984.286)
Interest paid		**(13.278.398)**	(16.389.685)
Net cash used in financing activities		**(66.949.675)**	(141.058.316)
Net increase in cash and cash equivalents		**76.193**	10.778.610
Cash and cash equivalents at the beginning of the year	6	**40.091.509**	29.312.899
Cash and cash equivalents at the end of the year	6	**40.167.702**	40.091.509
Supplemental disclosure of cash flows information			
Cash received by the Company for interest income		**961.265**	1.463.328

Purchases of property, plant, equipment and intangible assets with financial leasing amount to TL 367.170 in year 2010 (2009 - None).

The accompanying policies and explanatory notes on pages 55 through 110 form an integral part of the financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

1. Corporate information

General

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi (Akçansa) was formed on September 30, 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 21, 2011. 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 27.

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". As of December 31, 2010 and 2009, the number of personnel (all employed in Turkey) is 1.085 and 1.058, 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

2.1 Basis of preparation

The Company and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries.

The Capital Markets Board of Turkey ("CMB") sets out principles and procedures on the preparation, presentation and disclosure of financial statements prepared by companies in accordance with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). This Communiqué is effective for the annual periods beginning from 1 January 2008 and supersedes the Communiqué No: XI–25 "The Financial Reporting Standards of the Capital Markets". The Communiqué requires companies to prepare their financial statements in accordance with International Financial Reporting Standards ("IASs/IFRSs") adopted by the European Union. However companies will apply IASs/IFRSs issued by the IASB until the differences of the IAS/IFRS adopted by the European Union from those issued by the International Accounting Standards Board ("IASB") are announced by the Turkish Accounting Standards Board ("TASB"). Therefore, TASB's, Turkish Accounting Standards / Turkish Financial Reporting Standards ("TASs/TFRSs") that are in line with the aforementioned standards will be adopted in reporting.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

Until the differences of the IAS/IFRS adopted by the European Union from those issued by the International Accounting Standards Board (“IASB”) are announced by the Turkish Accounting Standards Board (“TASB”), financial statements are prepared in accordance with IAS/IFRS based on the CMB Communiqué No: XI-29..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 17, 2008 and January 9, 2009.

Functional and presentation currency

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, non-monetary assets and liabilities and components of shareholders’ equity including share capital reported in the balance sheet as of December 31, 2010 and 2009 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.

2.2. New Standards and Interpretations

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported and disclosures in these financial statements. Details of other standards and interpretations adopted in these financial statements but that have had no material impact on the financial statements are set out in the related paragraphs.

(a) New and Revised IFRSs affecting presentation and disclosure only

None.

(b) New and Revised IFRSs affecting the reported financial performance and / or balance sheet

None.

(c) New and Revised IFRSs applied with no material effect on the consolidated financial statements

Amendments to IAS 7 **Statement of Cash Flows** (as part of Improvements to IFRSs issued in 2009)	The amendments to IAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.
Amendments to IAS 1 Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)	The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendments are applied retrospectively.

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IFRS 3 (revised in 2008) Business Combinations

IFRS 3 (revised), "Business Combinations" and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates", and IAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The main impact of the adoption is as follows:

a) to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquire.

b) to change the recognition and subsequent accounting requirements for contingent consideration.

c) to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognized as an expense in profit or loss as incurred.

d) in step acquisitions, previously held interests are to be remeasured to fair value at the date of the subsequent acquisition with the value included in goodwill calculation. Gain or loss arising from the re-measurement shall be recognized as part of profit or loss.

e) IFRS 3 (2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.

Since the Group did not have any business combinations as of and after July 1, 2009, this interpretation is not applied..

IAS 27 (revised in 2008) Consolidated and Separate Financial Statements

The application of IAS 27(2008) has resulted in changes in the Group's accounting policies for changes in ownership interests in subsidiaries.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in IFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under IAS 27(2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

These changes in accounting policies have been applied prospectively from 1 January 2010 in accordance with the relevant transitional provisions.

Since there is no change in the ownership interest in the Group's subsidiary, this interpretation is not applied.

IAS 28 (revised in 2008) Investments in Associates

The principle adopted under IAS 27(2008) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendments to IAS 28. Therefore, when significant influence over an associate is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

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As part of **Improvements to IFRSs** issued in 2010, IAS 28(2008) has been amended to clarify that the amendments to IAS 28 regarding transactions where the investor loses significant influence over an associate should be applied prospectively. Since the Group has no associates, this interpretation is not applied.

Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (as part of Improvements to IFRSs issued in 2009) , effective for annual periods beginning on or after 1 July 2009. Since the Group has no non-current assets held for sale and discontinued operations, this interpretation is not applicable.

IFRIC 17, "Distributions of non-cash assets to owners", effective for annual periods beginning on or after 1 July 2009. Since the Group has not made any non-cash distributions, this interpretation is not applicable..

IFRIC 18, "Transfers of assets from customers", effective for transfer of assets received on or after 1 July 2009. Since the Group has not received any assets from customers, this interpretation is not applicable.

"Additional exemptions for first-time adopters" (Amendment to IFRS 1) was issued in July 2009. The amendments are required to be applied for annual periods beginning on or after 1 January 2010. This Since the Group is an existing IFRS preparer, this interpretation is not applicable.

IFRS 2, "Share-based Payments – Group Cash-settled Share Payment Arrangements" is effective for annual periods beginning on or after 1 January 2010. Since the Group does not have share-based payment plans, this interpretation is not applicable.

Amendments to IFRS 5 **Non-current Assets Held for Sale and Discontinued Operations** clarify that all the assets and liabilities of a subsidiary should be classified as held for sale when the Group is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale. Since the Group has no non-current assets held for sale and discontinued operations, this interpretation is not applicable.

Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The improvements cover 12 main standards/interpretations as follows: IFRS 2 Share-based Payments, IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 8 Operating Segments, IAS 1 Presentation of Financial Statements, IAS 7 Statement of Cash Flows, IAS 17 Leases, IAS 18 Revenue, IAS 36 Impairment of Assets, IAS 38 Intangible Assets, IAS 39 Financial Instruments: Recognition and Measurement, IFRIC 9 Reassessment of Embedded Derivatives, IFRIC 16 Hedges of Net Investment in a Foreign Operation. The effective dates of these improvements vary for each standard but most are effective from January 1, 2010.

(d) New and Revised IFRSs in issue but not yet effective

IFRS 1 (amendments) First-time Adoption of IFRS – Additional Exemptions and Two Other Amendments

Amendments to IFRS 1 which are effective for annual periods on or after 1 July 2010 provide limited exemption for first time adopters to present comparative IFRS 7 fair value disclosures.

On 20 December, IFRS 1 is amended to;provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs and to provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time. The amendment above will be effective for annual periods beginning on or after July 1, 2011.

These amendments are not relevant to the Group, as it is an existing IFRS preparer.

IFRS 7 Financial Instruments: Disclosures

In October 2010, IFRS 7 **Financial Instruments: Disclosures** is amended by IASB as part of its comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment will be effective for annual periods beginning on or after 1 July 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 9 Financial Instruments: Classification and Measurement

In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 **Financial Instruments: Recognition and Measurement**. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not had an opportunity to consider the potential impact of the adoption of this standard.

IAS 12 Income Taxes

In December 2010, IAS 12 is amended. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 **Investment Property**. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be , be through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 24 (Revised 2009) Related Party Disclosures

In November 2009, IAS 24 Related Party Disclosures was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 32 (Amendments) Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements

The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The Group has not yet had an opportunity to consider the potential impact of the adoption of this amendment to the standard.

IFRIC 14 (Amendments) Pre-payment of a Minimum Funding Requirement

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made. The Group does not expect any impact of the adoption of this amendment on the financial statements.

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IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability. The Group has not yet had an opportunity to consider the potential impact of the adoption of this amendment to the standard.

Annual Improvements May 2010

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRSs in May 2010 that cover 7 main standards/interpretations as follow: IFRS 1 **First-time Adoption of International Financial Reporting Standards**; IFRS 3 **Business Combinations;** IFRS 7 **Financial Instruments: Disclosures**; IAS 27 **Consolidated and Separate Financial Statements**; IAS 34 **Interim Financial Reporting** and IFRIC 13 **Customer Loyalty Programmes**. With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011. Early adoption of these amendments are allowed. The Group has not yet had an opportunity to consider the potential impact of the adoption of these amendments to the standards.

2.3 Significant accounting judgments and 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.

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 is 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 (Note 18 and 19).

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.

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f) The Company makes its impairment analysis on assets by using discounted cash flows. In these analyses, there are certain an assumption 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 (Note 20).

g) The Company makes 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.

h) The Company performs the impairment analysis on subsidiaries using the sectoral benchmark method. These analyses contain certain assumptions regarding the comparison of the market values of similar companies.

2.4 Summary of Significant accounting policies

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 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 non-controlling shareholders' are shown as non-controlling interest in consolidated 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.

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 interest income accrual.

Inventories

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

Raw materials - purchase cost on a monthly average basis

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Finished goods and work-in-process - cost includes direct material and labor cost, 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.

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 below. Effects of change in useful lives has been applied prospectively and reflected in the income statement.

	Useful lives
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.

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.

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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 cannot 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 analyses 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. Impairment loss cannot be reversed in the consolidated statement of income in future periods.

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, 2010 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, 2010	**1,5460**	**2,0491**
December 31, 2009	1,5057	2,1603

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.

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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 a 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 6.629.529 as of December 31, 2010 (December 31, 2009 – TL 5.995.839).

Leases

Leasing – as lessee

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.

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Leasing - as lessor

Operational lease transactions

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Related parties

Parties are considered related to the 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

(iii) 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. Revenue from rendering services is mainly related with Ambarlı port service income.

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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 directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Amortized cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Earnings per share

Basic earnings 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.

Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is:
• cash,
• a contractual right to receive cash or another financial asset from another enterprise,
a contractual right to exchange financial instruments from another enterprise under conditions that are potentially favorable, or,
• an equity instrument of another enterprise
A financial liability that is a contractual obligation:
• to deliver cash or another financial asset to another enterprise, or
• to exchange financial instruments with another enterprise under conditions those are potentially unfavorable.

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When a financial asset or financial liability is recognized initially, it is measured at its cost, which is the fair value of the consideration given (in the case of an asset) or received (in case of a liability) for it. Transaction costs are included in the initial measurement of all financial assets and liabilities.

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques.

The methods and assumptions in fair value estimation of the financial instruments of the Company are explained in Note 39.

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.

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.

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, 2010 and 2009, 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.

Impairments in financial assets

Financial asset are assessed at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that had occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. For loans and receivables impairment loss has been incurred the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows. The Company follows its receivables separately. The Group also includes a financial asset to the financial assets with the same risk properties and assesses for impairment as a whole in case there is not a specific and separate event determined that cause impairment. Except for trade receivables, which is reduced through the use of an allowance account, impairment on all other financial assets are directly written off in the related account. In case trade receivables cannot be collected, the related amount is written off from allowance account. The change in allowance account is accounted in the income statement.

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When the fair value of an available-for-sale financial asset that carried at its fair value is below its cost value of the financial asset due to the fluctuations in the market, the Group assesses the impairment by considering if the fair value decline is material, permanent and not recoverable in the long-term and moreover the Group considers the performance of the similar financial assets in the market. In accordance with the Group's accounting estimations and policies, in order to assess the fair value decline in the available-for-sale financial asset to be permanent and not recoverable in the long-term, at least one year should pass from the date that the fair value is below its cost of the financial asset. In case there is any impairment, such impairment is transferred from equity to statement of income.

Financial liabilities

Financial liabilities are recognized initially at fair value and at directly attributable transaction costs and after initial recognition; financial liabilities are subsequently measured at amortized cost by using the effective interest rate method.

Effective interest rate method is the amortized cost method and allocation of the related interest expenses to the related periods. Effective interest rate is the rate reducing the future expected cash payments to present value of the financial liability.

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.

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are re-measured at their fair value. The derivative instruments of the Company mainly consist of foreign exchange forward contracts and related transactions. These derivative transactions providing effective economic hedges under the Company risk management position, do not generally qualify for hedge accounting under the specific rules in IAS 39 and presented in financial investments (if income) or in other financial liabilities (if expense).

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.

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.

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3. Business combinations

None.

4. Joint ventures

The Company does not have any joint ventures as of December 31, 2010 and 2009.

5. Segment reporting

Since major portion of the foreign sales of the Company are made on a one-off basis to different geographical regions, the distribution of sales according to geographical regions is not consistent throughout the years. Therefore, details of revenues are disclosed as foreign and domestic sales in Note 28.

The Company manages and organizes its operations depending on the content of provided services and goods. The Group prepares its segment reporting in accordance with IFRS 8. As of December 31, 2010 and 2009; information about the Group's segments consists of revenues and profits related with cement (including clinker and aggrega) and ready mix concrete.

January 1- December 31, 2010	**Cement**	**Ready mix concrete**	**Undistributed**	**Elimination**	**Total**
Net sales	567.667.141	350.536.261	-	(100.851.116)	817.352.286
Cost of sales (-)	(472.323.422)	(333.809.855)	-	100.851.116	(705.282.161)
Gross profit	**95.343.719**	**16.726.406**	**-**	**-**	**112.070.125**
Operating expense (-)	(27.287.354)	(6.992.104)	-	-	(34.279.458)
Other operating income / expense (-), net	(5.025.188)	(974.595)	-	-	(5.999.783)
Operating profit	**63.031.177**	**8.759.707**		**-**	**71.790.884**
Financial income / expense (-), net	(5.847.323)	(99.205)	6.451.739	-	505.211
Net income before taxes from continuing operations	**57.183.854**	**8.660.502**	**6.451.739**	**-**	**72.296.095**
Tax income/expense for continuing operations, net	**-**	**-**	**(12.928.223)**	**-**	**(12.928.223)**
Tax expense for the period (-)	-	-	(9.352.020)	-	(9.352.020)
Deferred tax income/(expense)	-	-	(3.576.203)	-	(3.576.203)
Continuing operations net profit	**57.183.854**	**8.660.502**	**(6.476.484)**	**-**	**59.367.872**

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Notes to the Consolidated Financial Statements as of December 31, 2010

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

December 31, 2010	Cement	Ready mix concrete	Undistributed	Elimination	Total
Assets and Liabilities (*)					
Segment assets	698.155.478	72.538.787	-	-	770.694.265
Financial investments	-	-	147.698.124	-	147.698.124
Undistributed assets	-	-	313.414.432	-	313.414.432
Total Assets	**698.155.478**	**72.538.787**	**461.112.556**	**-**	**1.231.806.821**
Segment liabilities					
Undistributed liabilities	-	-	1.231.806.821	-	1.231.806.821
Total liabilities (*)	**-**	**-**	**1.231.806.821**	**-**	**1.231.806.821**

January 1- December 31, 2010					
Other segment information					
Capital expenditures (expenses)					
Tangible and intangible fixed assets	42.571.526	11.766.031	-	-	54.337.557
Total capital expenditures	**42.571.526**	**11.766.031**	**-**	**-**	**54.337.557**
Depreciation expenses	48.867.246	4.900.088	-	-	53.767.334
Amortization expenses	1.032.752	84.082	-	-	1.116.834

January 1- December 31, 2009	Cement	Ready mix concrete	Undistributed	Elimination	Total
Net sales	500.198.276	292.615.934	-	(83.220.407)	709.593.804
Cost of sales (-)	(388.709.886)	(265.158.191)	-	83.220.407	(570.647.670)
Gross profit	**111.488.391**	**27.457.743**	**-**	**-**	**138.946.134**
Operating expense (-)	(22.836.018)	(6.318.238)	-	-	(29.154.256)
Other operating income / expense (-), net	(6.274.350)	(3.160.212)	-	-	(9.434.562)
Operating profit	**82.378.022**	**17.979.293**	**-**	**-**	**100.357.316**
Financial income / expense (-), net	(190.489)	588.993	(11.355.875)	-	(10.957.371)
Net income before taxes from continuing operations	**82.187.533**	**18.568.286**	**(11.355.875)**	**-**	**89.399.945**
Tax income/expense for continuing operations, net	**-**	**-**	**(14.860.951)**	**-**	**(14.860.951)**
Tax expense for the period (-)	-	-	(16.191.630)	-	(16.191.630)
Deferred tax income/(expense)	-	-	1.330.679	-	1.330.679
Continuing operations net profit	**82.187.533**	**18.568.286**	**(26.216.826)**	**-**	**74.538.994**

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

December 31, 2009	Cement	Ready mix concrete	Undistributed	Elimination	Total
Assets and Liabilities (*)					
Segment assets	706.847.119	65.976.029	-	-	772.823.148
Financial investments	-	-	118.246.896	-	118.246.896
Undistributed assets	-	-	270.570.274	-	270.570.274
Total Assets	**706.847.119**	**65.976.029**	**388.817.170**	**-**	**1.161.640.318**
Segment liabilities	-	-	-	-	-
Undistributed liabilities	-	-	1.161.640.318	-	1.161.640.318
Total liabilities (*)	**-**	**-**	**1.161.640.318**	**-**	**1.161.640.318**
January 1- December 31, 2010					
Other segment information					
Capital expenditures (expenses)					
Tangible and intangible fixed assets	6.201.797	8.425.552	-	-	14.627.349
Total capital expenditures	**6.201.797**	**8.425.552**	**-**	**-**	**14.627.349**
Depreciation expenses	52.081.529	4.426.208	-	-	56.507.737
Amortization expenses	1.061.660	132.765	-	-	1.194.425

6. Cash and cash equivalents

	Dec 31, 2010	Dec 31, 2009
Cash at banks (including short-term time deposits)	**35.918.427**	38.473.314
Checks in collection with maturities before year end	**4.248.669**	1.617.553
Cash in hand	**606**	642
Total	**40.167.702**	40.091.509

Depending on the immediate cash requirements of the company, time deposits have 1-30 days for TL (December 31, 2009 – 1-3 days), 1-30 days for USD (December 31, 2009 – 1-30 days), (December 31, 2009 – 1-3 days for EUR) maturities. Interest rates for TL time deposits are 6,00% - 10,20% (December 31, 2009 – 6,50% - 13,35%), for USD 1,20% - 3,50% (December 31, 2009 – 0,50% - 3,70%), (December 31, 2009 1,00% - 2,75% for EURO).

The Company does not have blocked deposits as of December 31, 2010 and December 31, 2009.

7. Financial investments

• Short term

None.

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• Long term

	December 31, 2010		December 31, 2009	
	Share (%)	**Amount**	Share (%)	Amount
Available for sale financial assets- fair value				
Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi (Çimsa)	**8,98**	**121.305.600**	8,98	91.585.728
Lafarge Aslan Çimento A.Ş. (Lafarge)	**-**	**-**	0,05	268.644
Total		**121.305.600**		91.854.372
Available for sale financial assets- value at cost				
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	**15,00**	**22.662.688**	15,00	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 Römorkaj Pilataj Ticaret A.Ş (Arpaş)	**16,00**	**841.399**	16,00	841.399
Altaş Ambarlı Liman Tesisleri A.Ş. (Altaş)	**12,25**	**201.910**	12,25	201.910
Total		**147.698.124**		118.246.896

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, 2010 and 2009. The current year fair value difference (income) amounting to TL 29.719.872 (December 31, 2009 – TL 54.566.137), is included in the comprehensive income statement. As of August 26, 2010 shares of Lafarge are disposed of for TL 1.433.808 and income resulting from this transaction amounting to TL 1.364.968 is included in the consolidated comprehensive income statement.

Since it is not possible to calculate the fair value of Eterpark, Liman İşletmeleri, Arpaş and Altaş, these financial non-current assets are carried at restated cost (according to inflation accounting until the end of 2004) in the balance sheet.

8. Financial liabilities

Short term financial liabilities

December 31, 2010				
	Currency	**Balance**	**Maturity**	**TL Balance**
Unsecured loans	**TL (**)**	**30.000.000**	**May 2, 2011**	**30.477.001**
	TL (**)	**10.000.000**	**April 18, 2011**	**10.627.944**
	TL (*) (**)	**5.149.330**	**-**	**5.149.330**
Current portion of long term borrowings	**TL (**)**	**2.213.849**	**January 3, 2011 – October 20, 2011**	**2.213.849**
	USD (***)	**45.427**	**February 2, 2011**	**70.230**
				48.538.354

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December 31, 2009	Currency	Balance	Maturity	TL Balance
Unsecured loans	TL (**)	258.361	April 5, 2010	258.361
	TL (**)	258.458	April 2, 2010	258.458
	TL (**)	517.236	March 31, 2010	517.236
	TL (**)	10.114.000	November 12, 2010	10.114.000
	TL (**)	20.213.750	November 15, 2010	20.213.750
	TL (**)	15.034.583	December 20, 2010	15.034.583
	TL (**)	16.283.750	February 2, 2010	16.283.750
	TL (*) (**)	802.376	-	802.374
Current portion of long term borrowings	USD (***)	20.172.251	May 2, 2010	30.373.358
				93.855.870

(*) Temporary short term interest-free loans
(**) Fixed interest rate loans
(***) Floating interest rate loans

Long term financial liabilities

December 31, 2010	**Currency**	**Balance**	**Maturity**	**TL Balance**
Unsecured loans	**USD (***)**	**10.030.271**	**May 2, 2013**	**15.506.799**
	USD (***)	**10.030.271**	**May 2, 2013**	**15.506.798**
	TL (**)	**20.000.000**	**June 30, 2015**	**20.006.389**
	TL (**)	**15.000.000**	**June 30, 2015**	**15.004.792**
	TL (**)	**5.000.000**	**June 30, 2015**	**5.292.292**
	TL (**)	**8.500.000**	**September 13, 2012**	**8.738.574**
	TL (**)	**16.500.000**	**September 13, 2012**	**16.963.114**
	TL (**)	**25.000.000**	**September 13, 2012**	**25.701.688**
	TL (**)	**30.000.000**	**May 2, 2012**	**30.506.998**
Current portion of long term borrowings	**TL (**)**	**(6.389)**	**June 30, 2011**	**(6.389)**
	TL (**)	**(4.792)**	**June 30, 2011**	**(4.792)**
	TL (**)	**(292.292)**	**January 3, 2011**	**(292.292)**
	TL (**)	**(701.688)**	**September 13, 2011**	**(701.688)**
	TL (**)	**(463.114)**	**September 13, 2011**	**(463.114)**
	TL (**)	**(238.574)**	**September 13, 2011**	**(238.574)**
	TL (**)	**(507.000)**	**October 20, 2011**	**(507.000)**
	USD (***)	**(45.427)**	**February 2, 2011**	**(70.230)**
				150.943.365

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December 31, 2009				
	Currency	**Balance**	**Maturity**	**TL Balance**
Unsecured loans	USD	40.199.815 (**)	May 2, 2011- May 2, 2013	60.528.862
	USD	40.195.637 (**)	May 2, 2011- May 2, 2013	60.522.570
Current portion of long term borrowings (*)	USD	(20.172.251)	May 2, 2010	(30.373.358)
				90.678.074

(*) Current portion of long term borrowings and interest payables are classified in short-term financial liabilities.
(**) Fixed interest rates
(***) Floating interest rates

As of December 31, 2010, the long term bank loan of the Company amounting to USD 20.000.000 obtained from various banks has quarterly interest payments and the principal payments will be made at the end of the second year.

As of December 31, 2010, the long term bank loan of the Company amounting to TL 40.000.000 obtained from various banks does not have any principal payments in the first two years and the interest payments will be made semi annually in the first two years and after the second year, principal and interest payments will be made semi annually in equal installments in the following three years.

As of December 31, 2010, the bank loan of the Company amounting to TL 50.000.000 obtained from various banks does not have any principal payments in the first two years and the interest payment will be made at the end of the first year, followed by the principal and interest payment at the end of the second year.

As of December 31, 2010, the long term bank loan of the Company amounting to TL 30.000.000 obtained from various banks does not have any principal payments in the first two years and the interest payment will be made at the end of the first year, followed by the principal and interest payment in the second year.

Some of the Group's loans are subject to covenant clauses, whereby the Group is required to meet certain key performance indicators. The Group fulfills the debt service ratio as required in the contract for a credit line of USD 10 Million as of December 31, 2010 and 2009.

Repayment schedule of long-term borrowing is as follows:

	December 31, 2010	December 31, 2009
Less than a year	**2.284.079**	30.373.358
1-5 years	**150.943.365**	90.678.074
Total long term financial liabilities	**153.227.444**	121.051.432

Leasing commitments

a) Short term leasing liabilities (net)

As of December 31, 2010 the Company signed twenty one financial lease contracts 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 2012. As of December 31, 2010, the Company has short term financial lease obligations amounting to TL 411.231 (EUR 135.316, TL 133.954) (December 31, 2009 – TL 2.642.246 (EUR 1.223.092)).

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b) Long term leasing liabilities (net)

In addition, 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, 2010, the Company has short term USD financial lease obligations with the amount of TL 185.520 (2009 – TL 180.684).

As of December 31, 2010, the long term portion of financial lease transactions is TL 128.002 (EUR 62.467) (December 31, 2009 – TL 292.323 (EUR 135.316)).

As of December 31, 2010, the long term portion of finance lease transactions with the amount of USD 900.000 as mentioned above is TL 510.180 (December 31, 2009 – TL 677.565).

Financial lease commitments	**December 31, 2010**	December 31, 2009
In a year	**638.999**	2.942.097
1-5 years	**650.075**	979.731
Total financial lease obligations	**1.289.074**	3.921.828
Interest	**(54.141)**	(129.010)
Net present value of total financial lease obligations	**1.234.933**	3.792.818

9. Other financial liabilities

As of December 31, 2010, there is no other financial liabilities (December 31, 2009 TL 2.632.803 is composed of the fair value of forward transactions (negative difference)).

10. Trade receivables and payables

Trade receivables

Short-term trade receivables

	December 31, 2010	December 31, 2009
Trade receivables (net)	**86.955.086**	79.694.990
Notes receivables and post-dated checks	**70.699.135**	55.447.896
Due from associates (Note 37)	**347.589**	590.239
Due from other related parties (Note 37)	**25.144.397**	21.101.278
Doubtful receivables	**4.705.672**	4.243.869
Provision for doubtful receivables (-)	**(4.705.672)**	(4.243.869)
	183.146.207	156.834.403

The effective interest rates used to calculate net book value of the receivables are 11.74% for TL, 0,7809% for USD and 1,4725% for EUR (December 31, 2009 – 13% for TL, 0,9856% for USD and 1,2200% for EUR).

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The individually impaired receivables are determined based on the past experience of the Company.

The movement of the provision for doubtful receivables for the year ended December 31, 2010 and 2009 is as follows:

	December 31, 2010	December 31, 2009
January 1	**4.243.869**	2.481.136
Additions (Note 31)	**817.634**	2.360.568
Collections (Note 31)	**(355.831)**	(597.835)
	4.705.672	4.243.869

Collection term of trade receivables vary depending upon the type of product and the agreement and the average maturity of trade receivables is 71 days for cement (December 31, 2009 – 61 days) and 89 days for ready-mixed concrete (December 31, 2009 – 84 days)

As of December 31, 2010, 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**
Dec 31, 2010	**180.058.570**	**1.464.583**	**485.845**	**514.193**	**321.424**	**301.592**	**183.146.207**
Dec 31, 2009	147.251.103	5.503.958	2.739.605	554.062	467.011	318.664	156.834.403

Trade payables

Short term trade payables

	December 31, 2010	December 31, 2009
Trade payables (net)	**106.370.586**	80.705.019
Due to other related parties (Note 37)	**3.748.055**	1.380.742
Due to associates (Note 37)	**227.384**	174.520
Due to shareholders (Note 37)	**2.997**	-
	110.349.022	82.260.281

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

The effective interest rates used to calculate net book value of the payables cost are 11,74% (December 31, 2009 -13%) for TL, 0,7809% (December 31, 2098 - 0,9856%) for USD and 1,4725% (December 31, 2009 - 1,2200%) for EUR.

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11. Other receivables and payables

Other current receivables

	December 31, 2010	December 31, 2009
Advances given to suppliers	**3.097.271**	2.699.798
Deferred VAT	**1.947.594**	252.413
VAT to be claimed from tax office	**1.485.714**	803.253
Due from personnel	**769.446**	694.446
Deposits and guarantees given	**9.550**	9.550
Prepaid taxes	**-**	7.322
Other	**560.331**	392.323
	7.869.906	4.859.105

Other current payables

	December 31, 2010	December 31, 2009
Deposits and guarantees received	**2.560.001**	1.401.497
Taxes and funds payable	**2.169.128**	1.632.982
Advances received	**1.629.210**	714.764
Social security premiums payable	**1.319.365**	1.182.680
Other liabilities payable	**826.579**	602.519
Dividend payables to shareholders	**811.878**	821.733
Due to personnel	**633.653**	614.322
Other various payables	**16.597**	17.748
	9.966.411	6.988.245

Other long term receivables

	December 31, 2010	December 31, 2009
Deposits and guarantees given	**242.295**	20.690
	242.295	20.690

12. Receivables and payables from financial sector operations

The Company does not have any financial sector operations as of December 31, 2010 and 2009.

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13. Inventories

	December 31, 2010	December 31, 2009
Raw materials, net	**59.756.505**	50.402.537
Work-in-process	**10.343.809**	6.737.478
Finished goods	**4.470.415**	4.293.823
Goods-in transit	**1.930.851**	2.031.720
	76.501.580	63.465.558

The Company recognized impairment on inventories with the amount of TL 1.166.000 in 2010. (December 31, 2009 – TL 1.180.171).

14. Biological assets

The Company does not have any biological assets as of December 31, 2010 and 2009.

15. Assets related with construction projects in progress

The Company does not have any construction projects as of December 31, 2010 and 2009.

16. Investments accounted under equity method

The Company does not have any investments accounted under equity method as of December 31, 2010 and 2009.

17. Investment properties

The Company does not have any investment properties as of December 31, 2010 and 2009.

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

18. Property, plant and equipment

	January 1, 2010	Additions	Transfers (*)	Disposals	December 31, 2010
Cost					
Land, and land improvements	131.808.066	-	830.978	-	132.639.044
Buildings	250.314.799	-	1.010.082	-	251.324.881
Machinery and equipment	1.076.389.871	85.853	6.908.221	(460.046)	1.082.923.899
Furniture, fixtures and motor vehicles	63.237.228	221.238	7.369.309	(1.586.411)	69.241.364
Leasehold improvements	44.731.513	3.801	1.410.919	-	46.146.233
Construction-in-progress	8.218.681	54.025.175	(18.519.417)	-	43.724.439
Total	1.574.700.158	54.336.067	(989.908)	(2.046.457)	1.625.999.860
Accumulated depreciation:					
Land, and land improvements	64.038.128	2.989.508	-	-	67.027.636
Buildings	94.610.673	15.191.023	-	-	109.801.696
Machinery and equipment	741.135.920	30.684.305	-	(409.396)	771.410.829
Furniture, fixtures and motor vehicles	45.700.436	3.152.027	-	(1.159.531)	47.692.932
Leasehold improvements	27.907.713	1.750.471	-	-	29.658.184
Total	973.392.870	53.767.334	-	(1.568.927)	1.025.591.277
Property, plant and equipment, net	601.307.288				600.408.583

(*) Transfers amounting to TL 989.908 (2009 – TL 2.826.851) from construction-in-progress were made to intangible assets.

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	January 1, 2009	Additions	Transfers (*)	Disposals	December 31, 2009
Cost					
Land, and land improvements	131.569.383	113.000	150.264	(24.581)	131.808.066
Buildings	250.189.319	-	165.220	(39.740)	250.314.799
Machinery and equipment	1.070.074.398	23.527	7.244.621	(952.675)	1.076.389.871
Furniture, fixtures and motor vehicles	64.904.310	88.473	935.816	(2.691.371)	63.237.228
Leasehold improvements	43.925.472	764	1.319.520	(514.243)	44.731.513
Construction-in-progress	6.485.241	14.375.732	(12.642.292)	-	8.218.681
Total	1.567.148.123	14.601.496	(2.826.851)	(4.222.610)	1.574.700.158
Accumulated depreciation:					
Land, and land improvements	61.085.880	2.953.477	-	(1.229)	64.038.128
Buildings	77.700.469	16.920.947	-	(10.743)	94.610.673
Machinery and equipment	709.620.807	32.216.373	-	(701.260)	741.135.920
Furniture, fixtures and motor vehicles	45.258.763	2.936.019	-	(2.494.346)	45.700.436
Leasehold improvements	26.489.646	1.480.921	-	(62.854)	27.907.713
Total	920.155.565	56.507.737	-	(3.270.432)	973.392.870
Property, plant and equipment, net	646.992.558				601.307.288

As of December 31, 2010, the total cost of tangible assets purchased with financial leasing amounts TL 22.058.277 (December 31, 2009 – TL 21.849.223) and the total accumulated depreciation amounts TL 8.226.494 (December 31, 2009 – TL 6.690.054).

Purchases of property, plant, equipment and intangible assets with financial leasing amount to TL 367.170 in year 2010 (2009 - None)

As of December 31, 2010, total gross value of property, plant and equipment and intangible assets which are fully depreciated/ amortized but are still in use is TL 567.282.919 (2009 – TL 554.522.166).

As of December 31, 2010, 2.050.797 TL of finance expense is capitalized.

Pledge and mortgages on assets

There are no pledges or mortgages on Company's property, plant and equipments as of December 31, 2010 and 2009.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

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

19. Intangible assets

	January 1, 2010	**Additions / charge**	**Transfers from construction-in-progress**	**December 31, 2010**
Cost				
Rights and other intangibles	**50.125.329**	**1.490**	**989.908**	**51.116.727(*)**
Less: Accumulated amortization				
Rights and other intangibles	**(14.204.494)**	**1.116.834**	**-**	**(15.321.328)(**)**
Intangible assets, net	**35.920.835**	**(1.115.344)**	**989.908**	**35.795.399**

	January 1, 2009	Additions / charge	Transfers from construction-in-progress	December 31, 2009
Cost				
Rights and other intangibles	47.272.626	25.852	2.826.851	50.125.329(*)
Less: Accumulated amortization				
Rights and other intangibles	(13.010.069)	(1.194.425)	-	(14.204.494)(**)
Intangible assets, net	34.262.557	(1.168.573)	2.826.851	35.920.835

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

(*) As of December 31, 2010, intangible assets amounting to TL 41.195.255 consist of mining rights (December 31, 2009 - TL 41.195.255).

(**) As of December 31, 2010, TL 7.472.668 of this amount consists of mining rights and related accumulated amortization (December 31, 2009 - TL 7.124.912).

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, goodwill amounting to TL 129.457.887 is recognized in the accounts.

As of December 31, 2010, the Company performed an impairment analysis on cash generating unit related with goodwill and as a result, the Company does not require any impairment allowance. The main assumptions used in the discounted cash flow in TL which was prepared based on the approved budgeted figures prepared until 2020 considers the weighted average cost of capital as 11,74% and performing sensitivity test at 3%.

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Notes to the Consolidated Financial Statements as of December 31, 2010

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21. Government incentives and grants

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

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

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

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

For Akçansa;

Certificate 1:

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

100% of the total fixed investment is to be financed from equity.

22. Provisions, contingent assets and liabilities

Short term provisions

	December 31, 2010	December 31, 2009
Vacation pay liability	**2.537.156**	2.313.708
Litigations (Note 31)	**1.515.773**	1.212.678
Bonus accruals to be paid to executive management	**500.000**	560.000
	4.552.929	4.086.386

	Litigations (Note 31)	**Vacation pay liability**	**Bonus accruals to be paid to executive management**
January 1, 2010	**1.212.678**	**2.313.708**	**560.000**
Charge for the year	**-**	**-**	**500.000**
Payments and correction of calculation method	**(116.120)**	**-**	**(560.000)**
Change in estimations	**419.215**	**-**	**-**
Vacations used	**-**	**223.448**	**-**
December 31, 2010	**1.515.773**	**2.537.156**	**500.000**

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

	Litigations (Note 31)	Vacation pay liability	Bonus accruals to be paid to executive management
January 1, 2009	1.434.831	2.392.100	550.000
Charge for the year	-	-	560.000
Payments and correction of calculation method	(874.750)	-	(550.000)
Change in estimations	652.597	-	-
Vacations used	-	(78.392)	-
December 31, 2009	1.212.678	2.313.708	560.000

Long term provisions

	December 31, 2010	December 31, 2009
January 1	**2.462.961**	1.992.062
Charge for the year	**152.765**	470.899
December 31	**2.615.726**	2.462.961

Guarantees received and given

As of December 31, 2010 and 2009 guarantees received and given can be presented as follows:

		December 31, 2010		December 31, 2009	
	Currency	**Original amount**	**TL equivalent**	Original amount	TL equivalent
Letters of guarantee received	EURO	**615.460**	**1.261.139**	4.733.830	10.226.493
Letters of guarantee received	USD	**4.096.228**	**6.332.768**	4.111.228	6.190.276
Letters of guarantee received	GPB	**-**	**-**	51.350	122.685
Letters of guarantee received	TL	**-**	**74.794.522**	-	71.067.176
Mortgages received	TL	**-**	**11.742.850**	-	14.481.430
Cheques and notes received	TL	**-**	**13.134.795**	-	12.838.837
Cheques and notes received	EURO	**128.400**	**263.104**	136.400	294.665
Cheques and notes received	USD	**135.225**	**209.058**	135.225	203.608
Total guarantees received			**107.738.236**		115.425.170
Letters of guarantee given	TL	**-**	**10.224.816**	-	14.266.914
Letters of guarantee given	USD	**89.580**	**138.490**	166.969	251.406
Letters of guarantee given	EURO	**327.500**	**671.080**	327.500	707.498
Total guarantees given			**11.034.386**		15.225.818

Insurance coverage on assets

Insurance coverage on assets including cash, inventories and property, plant and equipment of the Company is TL 1.191.817.326 (December 31, 2009 – TL 1.156.691.441).

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

Litigations

a) As of December 31, 2008, provision amounting to TL 475.000 had been provided based on the legal opinion related to a compensation lawsuit filed against Karçimsa amounting to DEM 550.000 by a subcontracting technician in year 2000. The case resulted against the Company whereby the Company paid TL 874.750 and TL 399.750 of this amount has been reflected to the comprehensive income statement as of December 31, 2009. As of December 31, 2010, based on the legal opinion received related to the same lawsuit amounting to DEM 1.052.477, provision of TL 436.402 has been provided and reflected to the financial statements.

b) As of December 31, 2010, there were a number of legal proceedings outstanding against the Company in which total claims amounted to TL 3.321.638 (December 31, 2009 – TL 3.767.964), (December 31, 2009 – GBP 155.000) and DEM 1.985.088 (December 31, 2009 – DEM 171.000). These litigations 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, 2010, the Company has provided a provision for an amount of TL 1.515.773 (December 31, 2009– TL 1.212.678- including provision for the case stated above in section "a") for the litigations, which may result against the Company in the future and which are not covered by the employer's insurance.

c) As a result of the investigations related with the taxation of Ambarlı port services income and VAT related with purchases made by allegedly fraudulent and misleading documents, tax authority determined TL 3.035.149 penalty to the Company. Company appealed to the tax court and claim process is continuing. The Company did not provide any provision related with these investigations since the Company predicts the result to be highly probably in favor of the Company

Possible contingencies relating to environment law and land protection and utilization law

According to the Environment Law, 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 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, 2010, the Company has accounted a recultivation provision at an amount of TL 2.615.726 (2009 – TL 2.462.961) in "Long term provisions".

Forward and option contracts

As of December 31, 2010, the Company has no outstanding forward contracts. Since the foreign exchange rates at the maturity date of the forward contracts which matured between January 1 – December 31, 2010 have been realized lower than the foreign exchange rates stated on the forward contracts, the Company recorded a loss of TL 960.096 as negative fair value change (Note 33) in the income statement (December 31,2009-TL 2.632.803 negative fair value change).

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23. Commitments

Operational and financial lease commitments

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

Operating lease commitments	**December 31, 2010**	December 31, 2009
Within one year	**253.871**	423.770
After one year but not more than five years	**4.208.254**	2.730.314
More than five years	**2.340.000**	2.418.000
	6.802.125	5.572.084

As of December 31, 2010, TL 11.453.233 (December 31, 2009 – TL 8.714.316) of the Company's expenses related with the operating lease transactions is reflected in the consolidated income statement.

24. Employee benefits

	December 31, 2010	December 31, 2009
Reserve for retirement pay	**14.223.282**	11.866.887
Seniority incentive premium	**2.230.277**	1.779.105
	16.453.559	13.645.992

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 2.517 as of December 31, 2010 (2009 - TL 2.365) per year of employment.

Effective from January 1, 2011 ceiling for retirement pay has been increased to TL 2.623,23.

In accordance with IAS 19 - Employee Benefits, actuarial calculations are necessary for determining the Company's liabilities. The Company account 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 other comprehensive expense in the statement of equity.

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

	December 31, 2010	December 31, 2009
Discount rate	**10,00%**	**11,00%**
Estimated salary increase rate	**5,10%**	**5,00%**

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Movement of the reserve for the employee termination benefits as of December 31, 2010 and 2009 is as follows:

Reserve for employee termination benefits	**December 31, 2010**	December 31, 2009
January 1	**11.866.887**	11.530.660
Retirement pay liability paid	**(1.329.884)**	(2.460.402)
Actuarial (gain)/loss	**82.328**	318.320
Interest expense	**692.384**	712.511
Charge for the year	**2.911.567**	1.765.798
	14.223.282	11.866.887

Since the collective labor agreement ended as of December 31, 2010, new period collective labor agreement negotiations between Cement Industry Employers' Union and T. Cimse-İş Labor Union commenced on January 7, 2011.

Seniority incentive premium	**December 31, 2010**	December 31, 2009
Opening	**1.779.105**	1.945.523
Paid seniority incentive premium	**(473.723)**	(910.961)
Charge for the year	**924.895**	744.543
	2.230.277	1.779.105

Seniority incentive premium is the employee benefit provided in accordance with the Company policy and the liability as of December 31, 2010 and 2009 is recognized in the financial statements after discounting to the present value by using the effective discount rate.

25. Employee pension plans

The Company does not have any employee pension plans as of December 31, 2010 and 2009.

26. Other assets and liabilities

Other current assets

	December 31, 2010	December 31, 2009
Prepaid expenses	**2.308.889**	1.970.066
Advances given to suppliers	**1.038**	69.985
Other	**14.339**	861
	2.324.266	2.040.912

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Other non-current assets

	December 31, 2010	December 31, 2009
Prepaid rent expenses	**1.257.275**	1.295.955
Order advances given	**5.032.396**	6.137.138
	6.289.671	7.433.093

Other short term liabilities

	December 31, 2010	December 31, 2009
Expense accruals	**-**	21.057
Other	**-**	11.823
	-	32.880

27. Shareholders' equity

Issued capital and adjustments to share capital and equity investments

	December 31,2010	December 31,2009
Number of common shares (authorized and outstanding) 0,01 TL par value	**19.144.706.825**	19.144.706.825

As of December 31, 2010, the Company's paid-in capital is TL 191.447.068 (December 31, 2009 - TL 191.447.068) (based on historical costs).

As of December 31, 2010 and December 31, 2009, the composition of paid-in capital (presented in number of shares and historical cost) can be summarized as follows:

December 31, 2010		December 31, 2009	
Number of shares	**TL**	Number of shares	TL
19.144.706.825	**191.447.068**	19.144.706.825	191.447.068

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As of December 31, 2010 and December 31, 2009, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2010		December 31, 2009	
	Amount	**%**	Amount	%
Hacı Ömer Sabancı Holding A.Ş.	**76.035.136**	**39,72**	76.035.136	39,72
HeidelbergCement Mediterranean Basin Holdings S.L.	**76.035.135**	**39,72**	76.035.135	39,72
Publicly traded shares	**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	**424.624.650**		424.624.650	

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

Legal and other reserves

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 at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital. The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

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

In accordance with the CMB decision number 1/6 dated January 9, 2009, it was announced that without considering the fact that a profit distribution has been declared in the general assemblies of the subsidiaries, joint ventures and associates, which are consolidated into the parent company's financial statements, the net income from these companies that are consolidated into the financial statements of the parent company can be considered when calculating the distributable amount, as long as the statutory reserves of these entities are sufficient for a such profit distribution. After completing these requirements, the parent company may distribute profit by considering the net income included in the consolidated financial statements prepared in accordance with Communiqué No. XI-29 of CMB.

Based on the decision of CMB dated January 27, 2010, it is resolved not to determine any minimum dividend payment distribution requirement for publicly held companies.

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. However, the inflation adjustment to issued capital is subject to corporate tax if used in dividend distribution in cash.

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As of December 31, 2010 and December 31, 2009, the composition of consolidated legal reserves, statutory reserves, extraordinary reserves, accumulated profit (loss) and other reserves can be summarized as follows:

	December 31, 2010	December 31, 2009
Legal reserves	**87.576.580**	78.033.845
Statutory reserves	**35**	35
Extraordinary reserves	**4.533.673**	2.658.449
Accumulated profit due to inflation difference	**7.758.970**	7.758.970
Other reserves	**2.812.924**	855.370
Renewal reserves	**935.812**	1.944.508

Non-controlling Interests

All non-controlling shares are eliminated from equity accounts, including paid-in capital, of consolidated subsidiaries and presented as “Non-controlling interest” in “Shareholders’ equity” in the consolidated balance sheet.

28. Sales and cost of sales

Sales revenue

	December 31, 2010	December 31, 2009
Domestic sales	**645.331.459**	538.788.591
Foreign sales	**187.584.870**	182.032.458
Sales discount (-)	**(4.225.955)**	(3.153.863)
Other discounts (-)	**(17.784.965)**	(14.172.011)
	810.905.409	703.495.175
Domestic service sales	**6.446.877**	6.098.629
Total	**817.352.286**	709.593.804

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Cost of sales

	December 31, 2010	December 31, 2009
Direct material and supplies expenses	**560.576.739**	420.683.050
Direct labor expenses	**41.755.608**	37.418.500
Depreciation and amortization expenses	**52.398.929**	53.757.654
Other production expenses	**51.856.812**	44.499.562
Total production cost	**706.588.088**	556.358.766
Change in work-in-process	**(3.606.331)**	6.375.504
Beginning WIP	**6.737.478**	13.112.982
Ending WIP	**10.343.809**	6.737.478
Change in finished goods	**(176.592)**	6.371.081
Beginning finished goods	**4.293.823**	10.664.904
Ending finished goods	**4.470.415**	4.293.823
Cost of merchandise sold	**1.542.574**	741.936
Cost of domestic service sold	**934.422**	800.383
Total	**705.282.161**	570.647.670

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

	December 31, 2010	December 31, 2009
Selling, marketing and distribution expenses		
Personnel expenses	**5.084.765**	4.522.491
Sales guarantee expenses	**529.364**	594.779
Outsourced services	**358.335**	290.095
Traveling expenses	**482.478**	358.288
Rent expenses	**550.838**	459.020
Employee termination benefits	**142.463**	136.939
Depreciation and amortization expenses	**99.743**	98.151
Taxes, duties and fees	**49.174**	83.124
Doubtful receivable expenses, (net)	**461.803**	1.762.733
Other expenses	**428.325**	336.111
	8.187.288	8.641.731

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	December 31, 2010	December 31, 2009
General administrative expenses		
Personnel expenses	**14.345.782**	12.473.984
Consultancy expenses	**3.158.275**	2.265.922
Employee termination benefits	**436.682**	259.454
Taxes, duties and fees	**862.150**	463.657
Depreciation and amortization expenses	**1.909.717**	1.095.667
Travelling expenses	**725.810**	508.174
Insurance expenses	**99.498**	93.353
Rent expenses	**1.047.773**	830.679
Outsourced expenses	**781.588**	734.858
Various expenses	**2.724.895**	1.786.777
	26.092.170	20.512.525

30. Nature of expenses

Depreciation and amortization expenses

	December 31, 2010	December 31, 2009
Property, plant and equipment		
Production costs	**51.772.936**	52.859.441
General and administrative expenses	**1.513.377**	799.456
Selling and distribution expenses	**98.213**	98.151
Other operating expenses	**382.808**	2.750.689
Total depreciation expenses	**53.767.334**	56.507.737
Intangible assets		
Production costs	**625.993**	898.214
General administrative expenses	**396.340**	296.211
Selling and distribution expenses	**1.530**	-
Other operating expenses	**92.971**	-
Total amortization expenses	**1.116.834**	1.194.425

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Personnel expenses

	December 31, 2010	December 31, 2009
Personnel expenses		
Wages and salaries	**44.274.915**	40.509.075
Other social security expenses	**13.876.118**	11.376.473
Provision for employee termination benefits, net (Note 24)	**3.603.951**	2.478.309
	61.754.984	54.363.857

31. Other operating income / expenses

As of December 31, 2010 and 2009, breakdown of other operating income and gains is as follows:

	December 31, 2010	December 31, 2009
Compensation expenses	**642.563**	2.583.230
Rent income	**541.930**	363.842
Gain on sale of auxiliary materials	**-**	270.638
Gain on sale of property, plant and equipment, net	**325.292**	159.551
Other	**1.364.273**	1.302.215
	2.874.058	4.679.476

Other operating expenses and losses

	December 31, 2010	December 31, 2009
Indemnity and punishments	**415.679**	3.614.399
Idle capacity expense (comprise mainly of depreciation expense)	**2.065.306**	3.333.097
Donations	**2.033.524**	2.389.386
Property and estate taxes	**1.879.338**	1.566.757
Depreciation expense of rented terminals	**475.779**	638.097
Recultivation provisions (Note 22)	**152.765**	470.899
Provision for litigations (Note 22)	**303.095**	252.847
Other	**1.548.355**	1.848.556
	8.873.841	14.114.038

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32. Financial Income

As of December 31, 2010 and 2009, details of financial income are as follows:

	December 31, 2010	December 31, 2009
Foreign exchange gains	**26.630.826**	20.327.918
Dividend income (*)	**8.151.119**	6.683.009
Interest income	**960.629**	1.460.746
Maturity difference income	**796.514**	1.866.344
Gain on sale of subsidiary (note 7)	**1.364.968**	-
Rediscount income	**-**	501.988
	37.904.056	30.840.005

(*) As of December 31, 2010 and 2009, details of dividend income are as follows:

	December 31, 2010	December 31, 2009
Çimsa	**7.351.119**	5.208.862
Arpaş	**800.000**	1.473.005
Other participations	**-**	1.142
	8.151.119	6.683.009

33. Financial Expenses

As of December 31, 2010 and 2009, details of financial expenses are as follows:

	December 31, 2010	December 31, 2009
Foreign exchange losses	**23.764.195**	24.798.081
Interest expenses	**12.474.088**	13.494.116
Forward transaction expenses	**960.096**	2.792.668
Rediscount expenses	**200.466**	712.511
	37.398.845	41.797.376

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, 2010 and 2009.

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

As of December 31, 2010 and 2009, details of deferred tax assets and liabilities are as follows:

	Deferred tax assets		Deferred tax liabilities		Deferred tax income (expense)	
	December 31, 2010	**December 31, 2009**	**December 31, 2010**	**December 31, 2009**	**December 31, 2010**	**December 31, 2009**
Temporary differences on property, plant and equipment	**-**	-	**(25.789.375)**	(27.182.302)	**1.392.927**	1.286.280
Goodwill	**-**	-	**(20.702.811)**	(15.514.044)	**(5.188.767)**	(3.629.552)
Tax expense related with other comprehensive income	**-**	-	**(5.339.087)**	(3.879.550)	**(1.459.537)**	(3.879.550)
Inventories	**3.806.137**	3.759.521	**-**	-	**46.616**	1.110.331
Allowance for employee termination benefits	**2.844.657**	2.373.378	**-**	-	**471.279**	67.246
Allowance for unearned/unaccrued interest included in receivables and payables, net	**242.651**	729.161	**-**	-	**(486.510)**	425.124
Recultivation provision	**523.145**	492.592	**-**	-	**30.553**	94.180
Other timing differences, net	**1.320.672**	1.095.328	**-**	-	**268.544**	1.426.455
Tax loss	**482.970**	550.615	**-**	-	**(110.845)**	550.615
	(*) 9.220.232	9.000.595	**(*) (51.831.273)**	(46.575.896)	**(5.035.740)**	(2.548.871)

(*) The net total of these two balances is presented in the balance sheet as deferred tax asset with the amount of TL 1.905.201 (December 31, 2009 – TL 1.962.142) and deferred tax liability with the amount of TL 44.516.242 (December 31, 2009 – TL 39.537.443).

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

	December 31, 2010	December 31, 2009
Balance as at January 1,	**37.575.301**	35.026.430
Deferred income tax recognized in income statement	**3.576.203**	(1.330.679)
Tax expense related with other comprehensive income	**1.459.537**	3.879.550
Net balance at December 31, 2010 and 2009	**42.611.041**	37.575.301

In Turkey, the corporation tax rate is 20%. Corporate tax returns are required to be filed until the fifteenth of the fourth month following the balance sheet date and paid in one installment until the end of the fourth month. The tax legislation provides for a temporary tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts paid are offset against the final corporate tax liability for the year.

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 the related accounting records for a retrospective maximum period of five years. As of December 31, 2010, the Company has carried forward tax losses amounting to TL 2.414.849. (December 31, 2009: TL 2.753.075)

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Income tax payables as of December 31, 2010 and 2009 are summarized as follows:

	December 31, 2010	December 31, 2009
Current period corporate tax	**9.352.020**	16.191.630
Prepaid tax in current period	**(7.851.779)**	(13.751.639)
Income tax payable	**1.500.241**	2.439.991

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, 2010 and 2009 is as follows:

	December 31, 2010	December 31, 2009
Profit before tax and non-controlling interest	**72.296.095**	89.399.945
At the effective statutory income tax rate of 20%	**(14.459.219)**	(17.879.989)
Income exempt from tax	**2.333.919**	3.887.782
Expenses that are not deductible	**(973.373)**	(1.015.596)
Other	**170.450**	146.852
	(12.928.223)	(14.860.951)

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, 2010 weighted average number of shares is 19.144.706.825.

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.

2010 dividends declared and approved is as follows:

For common shares	
Nominal value per share, gross	Kr 0,39

The Company is planning to determine the dividends to be distributed over the profit of year 2010 in the meeting of the Board of Directors to be held at March 31, 2011.

37. Related party disclosures

Entities are defined as related if one of the entities has control over the other entity or has a significant influence over the other entity's financial and administrative decisions. The Company is controlled by Hacı Ömer Sabancı Holding A.Ş. (39,72%) (December 31, 2009 – 39,72%) and HeidelbergCement Group (39,72%) (December 31, 2009 – 39,72%). For the purpose of the consolidated financial statements, shareholder companies, financial investments and its associates and subsidiaries and other Sabancı and HeidelbergCement Group companies are presented separately and those companies and their senior executives are referred to as related parties.

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Related party balances as of December 31, 2010 and December 31, 2009 and related party transactions for the years ended December 31, 2010 and 2009 comprise mainly following:

	Sales to related parties					
	December 31, 2010			December 31,2009		
Related party	**Product**	**Service**	**Other (*)**	Product	Service	Other (*)
Financial assets						
Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa)	**4.056.918**	**-**	**53.130**	3.295.605	-	56.898
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş. (Arpaş)	**-**	**103.105**	**-**	-	106.781	-
Lafarge Aslan Çimento A.Ş. (Lafarge)	**-**	**-**	**-**	1.076.719	-	-
Altaş Ambarlı Lim. Tes. Tic. A.Ş.	**27.537**	**-**	**-**	-	-	-
Liman İşletmeleri A.Ş. (Liman İşletmeleri)	**6.879**	**-**	**-**	3.453	-	-
Other						
Enerjisa Enerji Üretim A.Ş. (Enerjisa)	**-**	**-**	**51.928**	-	-	20.596
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	**-**	**27.951**	**-**	-	-	-
HC Trading B.V. – Turkey Branch	**71.032.485**	**-**	**901.704**	75.953.784	-	-
HeidelbergerCement A.G.	**-**	**-**	**181.395**	-	-	123.870
HC Trading Malta Ltd.	**111.607.685**	**-**	**-**	102.621.482	-	-
Akçansa Taşımacılık ve Ticaret A.Ş.	**-**	**-**	**-**	-	-	314
Kardemir Demir Çelik Saı. ve Tic. A.Ş.	**-**	**-**	**-**	1.360	-	-
Hanson Quarry Products Europe Ltd.	**-**	**153.464**	**-**	-	-	-
Indocement	**-**	**74.241**	**-**	-	-	-

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

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	Purchases from related parties					
	December 31, 2010			December 31, 2009		
Related party	**Product**	**Service**	**Other (*)**	Product	Service	Other (*)
Shareholders						
Hacı Ömer Sabancı Holding A.Ş.	**-**	**38.568**	**-**	-	74.518	-
Financial assets						
Çimsa	**-**	**-**	**660**	1.748.402	-	-
Liman İşletmeleri	**-**	**515.325**	**265.654**	256.665	550.874	3.410
Lafarge Aslan Çimento	**-**	**-**	**-**	-	-	3.938
Eterpark Ends. Ürün. İmal. Tic. İth. İhr. Paz. A.Ş. (Eterpark)	**-**	**664.087**	**6.870**	-	613.659	124.478
Altaş Ambalrıl Liman Tesisleri Tic. A.Ş. (Altaş)	**-**	**394.946**	**-**	-	239.813	-
Other						
Aksigorta Sigortacılık A.Ş.	**-**	**3.041.957**	**-**	-	3.222.962	-
HeidelbergerCement A.G.	**-**	**-**	**-**	-	32.243	-
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	**166.287**	**-**	**-**	195.725	-	-
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	**806.606**	**219.640**	**-**	141.174	148.699	-
Temsa Termo Mekanik Sanayi ve Ticaret A.Ş.	**-**	**-**	**500.000**	447.044	-	-
HeidelbergerCement Group Technology Center GmbH	**-**	**-**	**-**	-	1.332	-
Kardemir Demir Çelik San. ve Tic. A.Ş.	**940.301**	**-**	**-**	1.578.239	-	895.910
Avivasa Sigorta A.Ş.	**-**	**160.858**	**-**	-	673.145	-
Teknosa İç ve Dış Tic. A.Ş.	**54.396**	**-**	**-**	21.541	-	5.294
Ak Finansal Kiralama A.Ş.	**-**	**1.856.749**	**-**	-	4.949.628	207.053
HC Fuels Limited	**-**	**-**	**-**	6.889.964	-	-
S.A.Cimenteries Cbr.	**-**	**332.734**	**-**	-	407.491	-
Carrefoursa Türkiye	**-**	**-**	**19.061**	-	-	1.650
HC Trading B.V. – Turkey Branch	**-**	**-**	**658.303**	-	96.560	577.632
Çukurova Dış Ticaret A.Ş.	**-**	**180.881**	**61.465**	49.185	-	216.338
HC Trading Malta Ltd.	**50.515.814**	**-**	**-**	21.864.690	-	-
Enerjisa Elek.Ener.Toptan Satış.A.Ş.	**21.894.919**	**-**	**-**	-	-	-
Olmuksa Ambalaj Sanayi ve Ticaret A.Ş.	**2.661**	**-**	**-**	-	-	2.119

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

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	Due from Related Parties		Due to Related Parties	
	December 31, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009
Shareholders				
Hacı Ömer Sabancı Holding A.Ş.	**-**	-	**2.997**	-
Total (*)	**-**	-	**2.997**	-
Financial assets				
Arpaş	**8.649**	11.852	**-**	-
Çimsa	**338.940**	578.374	**-**	-
Liman İşletmeleri	**-**	-	**64.243**	69.172
Eterpark	**-**	-	**100.377**	48.623
Altaş	**-**	-	**62.764**	56.725
Lafarge Aslan Çimento	**-**	13	**-**	-
Total (*)	**347.589**	590.239	**227.384**	174.520
Other				
Aksigorta Sigortacılık A.Ş.	**-**	-	**489.369**	359.976
HC Trading B.V. – Turkey Branch	**9.077.418**	3.679.610	**-**	-
HeidelbergerCement A.G.	**27.696**	32.657	**-**	-
HC Trading Malta Lmd..	**15.974.081**	17.389.011	**-**	-
HC Fuels Limited	**-**	-	**-**	-
Indocement	**25.023**	-	**-**	-
Hanson Quarry Products Europe Ltd.	**33.162**	-	**-**	-
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	**-**	-	**76.475**	145.325
Teknosa A.Ş.	**-**	-	**1.847**	9.693
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	**-**	-	**178.385**	9.826
Ak Finansal Kiralama A.Ş.	**-**	-	**20.103**	16.059
Temsa Termo Mekanik Sanayi ve Ticaret A.Ş.	**-**	-	**-**	527.511
Kardemir Demir Çelik San. ve Tic. A.Ş.	**-**	-	**34.042**	262.795
Avivasa Sigorta A.Ş.	**445**	-	**-**	27
Çukurova Dış Ticaret A.Ş.	**-**	-	**53.818**	47.029
Olmuksa İntern.Paper-Sabancı	**-**	-	**-**	2.501
Enerjisa	**6.572**	-	**-**	-
Enerjisa Elek.Ener.Toptan Satış.A.Ş.	**-**	-	**2.891.275**	-
Carrefoursa	**-**	-	**2.741**	-
Total (*)	**25.144.397**	21.101.278	**3.748.055**	1.380.742
Dividends payable to shareholders	**-**	-	**811.878**	821.733
Personnel	**769.446**	694.446	**633.653**	614.322
Total (**)	**769.446**	694.446	**1.445.531**	1.436.055

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

(**) Presented in "Other receivables/payables" accounts.

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As of December 31, 2010 “Financial lease payables” amounting to TL 277.276 (2009 – TL 1.908.949) presented in “Current liabilities” comprise of payables to “Ak Finansal Kiralama A.Ş.”. As of December 31, 2010 there are no “Financial lease payables” to “Ak Finansal Kiralama A.Ş.” presented in “Non-current liabilities” (2009 – TL 292.323).

Receivables from “Direct debit system” in trade receivables amounting to TL 4.871.894 (2009 – TL 2.961.070) are receivables from Akbank T.A.Ş.

	December 31, 2010	December 31, 2009
Banks		
Akbank T.A.Ş.	**28.118.749**	12.512.080
Financial liabilities		
Akbank T.A.Ş.	**76.992.150**	60.797.529

	December 31, 2010	December 31, 2009
Financial expenses to related parties		
Akbank T.A.Ş.	**2.549.047**	4.296.192
Ak Finansal Kiralama A.Ş.	**83.821**	322.668
	2.632.868	4.618.860
Interest income from related parties		
Akbank T.A.Ş.	**150.561**	118.240
Commission income		
Arpaş	**138.222**	121.442
Donations		
Sabancı Üniversitesi	**111.988**	56.580
Vaksa Hacı Ömer Sabancı Vakfı	**1.300.000**	1.300.000
	1.411.988	1.356.580

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Executive members' remuneration

	December 31, 2010	December 31, 2009
Short term benefits provided to executive management	**3.600.511**	3.155.043
Other long term benefits	**51.017**	81.700
Total benefits	**3.651.528**	3.236.743
Employer's social security premium portion	**88.118**	77.378

38. Nature and level of risks arising from financial instruments

Financial risk management objectives and policies

The Company's principal financial instruments are bank borrowings, leasing, cash and cash equivalents. 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 foreign currency risk, interest rate risks, credit risk and liquidity risk. The Company management reviews and agrees policies for managing each of the risks as summarized below. The Company also follows market risk that arises 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, 2010 and 2009 are TL 4.702.328 short (liability) and TL 82.399.753 short (liability) respectively.

The Company is exposed to foreign currency risk due to the loans used in USD. 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.

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Foreign currency position of the Company is as follows:

	Table of foreign currency position					
	Current period December 31, 2010					
	TL equivalent (functional currency)	USD	EUR	GBP	CHF	SEK
1. Trade receivables	23.582.187	14.455.885	601.917	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	6.085.719	3.329.784	456.669	885	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	29.667.906	17.785.669	1.058.586	885	-	-
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)	29.667.906	17.785.669	1.058.586	885	-	-
10. Trade payables	2.383.662	1.165.936	283.600	-	-	-
11. Financial liabilities	462.796	120.000	135.316	-	-	-
12a. Monetary other liabilities	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	2.846.458	1.285.936	418.916	-	-	-
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	31.523.776	20.390.541	-	-	-	-
16 a. Monetary other liabilities	-	-	-	-	-	-
16 b. Non-monetary other liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	31.523.776	20.390.541	-	-	-	-
18. Total liabilities (13+17)	34.370.234	21.676.477	418.916	-	-	-
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Total hedged asset amount (*)	-	-	-	-	-	-
19b. Total hedged liability amount	-	-	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	(4.702.328)	(3.890.808)	639.670	885	-	-
21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	(4.702.328)	(3.890.808)	639.670	885	-	-
22. Total fair value of financial instruments used to manage foreign currency position	-	-	-	-	-	-
23. Export	187.584.870	118.256.856	4.351.259	-	-	-
24. Import	103.234.915	64.146.021	3.205.927	11.976	-	35.700

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	Table of foreign currency position					
	Prior period December 31, 2009					
	TL equivalent (functional currency)	USD	EUR	GBP	CHF	SEK
1. Trade receivables	19.866.588	12.561.974	440.690	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	23.356.609	13.598.987	1.332.247	1.072	-	4
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	43.223.197	26.160.961	1.772.937	1.072	-	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)	43.223.197	26.160.961	1.772.937	1.072	-	4
10. Trade payables	778.700	516.712	318	-	-	-
11. Financial liabilities	33.196.288	20.292.251	1.223.092	-	-	-
12a. Monetary other liabilities	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	33.974.988	20.808.963	1.223.410	-	-	-
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	91.647.962	60.673.201	135.316	-	-	-
16 a. Monetary other liabilities	-	-	-	-	-	-
16 b. Non-monetary other liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	91.647.962	60.673.201	135.316	-	-	-
18. Total liabilities (13+17)	125.622.950	81.482.164	1.358.726	-	-	-
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Total hedged asset amount (*)	-	-	-	-	-	-
19b. Total hedged liability amount			-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	(82.399.753)	(55.321.203)	414.211	1.072	-	4
21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	(82.399.753)	(55.321.203)	414.211	1.072	-	4
22. Total fair value of financial instruments used to manage foreign currency position	(2.653.860)	-	-	-	-	-
23. Export	182.032.458	104.989.220	9.508.341	-	-	-
24. Import	60.788.973	34.159.287	3.543.533	225	18.615	-

(*) As of December 31, 2009, the Company has outstanding currency forward contracts amounting to USD 16.500.000 (2008 – USD 26.500.000) entered into in order to hedge the foreign currency risk exposure. (Note 22).

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Notes to the Consolidated Financial Statements as of December 31, 2010

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

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, 2010 and 2009:

	Foreign currency sensitivity analysis statement	
	Current period	
	Profit/ loss	Profit/ loss
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TL:		
1- USD denominated net asset/ liability	(601.519)	601.519
2- USD denominated hedging instruments (-)	-	-
3- Net effect in USD (1+2)	**(601.519)**	**601.519**
In case of 10% appreciation of EUR against TL:		
4- EUR denominated net asset/ liability	131.075	(131.075)
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	**131.075**	**(131.075)**
In case of average 10% appreciation of other exchange rates against TL:		
7- Other foreign currency denominated net assets, liabilities	211	(211)
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	**211**	**(211)**
Total (3+6+9)	**(470.233)**	**470.233**

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

	Foreign currency sensitivity analysis statement	
	Prior period	
	Profit/ loss	Profit/ loss
	Appreciation of foreign currency	Appreciation of foreign currency
In case of 10% appreciation of USD against TL:		
1- USD denominated net asset/ liability	(8.329.714)	8.329.714
2- USD denominated hedging instruments (-)	2.526.181	(2.526.181)
3- Net effect in USD (1+2)	(5.803.533)	5.803.533
In case of 10% appreciation of EUR against TL:		
4- EUR denominated net asset/ liability	89.482	(89.482)
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	89.482	(89.482)
In case of average 10% appreciation of other exchange rates against TL:		
7- Other foreign currency denominated net assets, liabilities	256	(256)
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	256	(256)
Total (3+6+9)	(5.713.795)	5.713.795

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 Group 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.

Interest position table	**Current Period**	Prior Period
Financial instruments with variable interest rate		
Financial assets	-	-
Financial liabilities	31.013.597	121.051.432

The effect of increase by 0,5% in interest rates of borrowings with variable interest rate on profit before tax is as follows:

	Effect on income before tax	
Interest increase	**December 31, 2010**	December 31, 2009
0,5%	**(154.600) TL**	(602.280) TL

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

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**
Maximum credit risk exposures as of report date **(A+B+C+D+E) (1)**	**25.491.986**	**157.654.221**	**769.446**	**7.100.460**	**40.167.096**	**-**
- Guaranteed portion of credit risk by guarantees, etc.	-	84.696.206	769.446	2.507.925	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	25.491.986	153.539.182	769.446	7.100.460	40.167.096	-
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	1.027.402	-	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	3.087.637	-	-	-	-
- Under guarantee	-	1.178.365	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	4.705.672	-	-	-	-
- Impairment (-)	-	(4.705.672)	-	-	-	-
- 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	-	-	-	-	-	-

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

	Receivables					
	Trade receivables		Other receivables			
Prior period	**Related Party**	**Other party**	**Related party**	**Other party**	**Deposits in banks**	**Derivative instruments**
Maximum credit risk exposures as of report date **(A+B+C+D+E) (1)**	21.691.517	135.142.885	694.446	4.164.659	40.090.867	-
- Guaranteed portion of credit risk by guarantees, etc.	-	61.648.919	694.446	1.062.988	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	21.691.517	125.265.284	694.446	4.164.659	40.090.867	-
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	294.301	-	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	9.583.300	-	-	-	-
- Under guarantee	-	3.263.984	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	4.243.869	-	-	-	-
- Impairment (-)	-	(4.243.869)	-	-	-	-
- 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	-	-	-	-	-	-

(1) When determining the amount, guaranties received and factors increasing the reliability of the loan are not considered.

(2) Guarantees consist of letters of guarantee, guarantee cheques and mortgages taken from customers.

(3) There has been no collection issues related to these customers in the past.

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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

At liquidation table, the breakdown of non-derivative financial liabilities in accordance with the maturities is presented considering the period from balance sheet date to maturities per written and oral agreements and considering undiscounted cash flows per agreement. Maturities per agreement considered at liquidation management is used for derivative financial liabilities.

December 31, 2010

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	**311.065.674**	**339.496.107**	**116.339.567**	**55.107.149**	**168.049.391**	**-**
Bank loans	**199.481.719**	**227.176.546**	**5.149.330**	**54.627.899**	**167.399.317**	**-**
Financial lease obligations	**1.234.933**	**1.289.074**	**159.750**	**479.250**	**650.074**	**-**
Trade payables	**110.349.022**	**111.030.487**	**111.030.487**	**-**	**-**	**-**

December 31, 2010

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	269.031.781	276.222.768	99.260.658	82.241.621	94.720.489	-
Bank loans	184.533.944	191.040.681	17.264.874	80.035.047	93.740.760	-
Financial lease obligations	3.792.818	3.921.828	735.525	2.206.574	979.729	-
Trade payables	80.705.019	81.260.259	81.260.259	-	-	-

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

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, 2010	December 31, 2009
Total debt	**390.670.782**	342.413.744
Less: Cash and cash equivalents (Note 6)	**40.167.702**	40.091.509
Net debt	**350.503.080**	302.322.235
Total shareholder's equity	**841.136.039**	819.226.574
Total paid-in share capital	**191.447.068**	191.447.068
Debt to equity ratio	**0,42**	0,37

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

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 fair values of financial assets and liabilities which are carried with its cost value are considered to approximate their respective carrying values due to the following reasons.

Fair values of cost or amortized cost in the balance sheet values and fair values of 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 net of allowances for doubtful receivables are considered to approximate their fair values.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

Fair values of cost or amortized cost in the balance sheet values and fair values of financial liabilities:

The fair values trade payables and other monetary liabilities are estimated to approximate carrying value due to their short-term nature. Bank borrowings are carried at amortized cost and the transaction costs are added to the initial cost of the borrowing. The fair values of long-term bank borrowings with variable interest 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. It is note that when fixed interest rate applicable as of balance sheet is applied, the fair values of long-term bank borrowings with fixed interest are approximate their respective carrying values. The carrying values of short-term bank borrowings are considered to be their fair values due to their short term nature.

Derivative financial instruments (Forward contracts)

The Company enters into transactions with derivative instruments. 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.

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 and derivatives with unrealized losses are included in accrued expense in the consolidated balance sheet.

As of December 31, 2010, the Company has no outstanding forward contracts in order to hedge the foreign currency risk exposure (December 31, 2009 USD 16.500.000) (Note 22).

Fair value hierarchy table

The Company classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows;

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contains observable market inputs

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the Consolidated Financial Statements as of December 31, 2010

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

As of December 31, 2010 and 2009, the Company's assets at fair value and its levels are as follows:

Current period	**Level 1 (*)**	**Level 2 (**)**	**Level 3**
a) Assets as fair value			
Financial assets			
Çimsa	121.305.600	-	-
Total assets	**121.305.600**		

Prior period	**Level 1 (*)**	**Level 2 (**)**	**Level 3**
b) Assets as fair value			
Financial assets			
Çimsa	91.585.728	-	-
Lafarge	268.644	-	-
Total assets	91.854.372		
c) Liabilities as fair value			
Current value of forwards	-	2.632.803	-
Total liabilities		**2.632.803**	

(*) Valued by the market price in the stock exchange market as of the balance sheet date.

(**) Fair value was calculated with reference to the market interest rates valid for the rest of the contract of the foreign currency with original maturity for the related foreign currency.

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

Profit Distribution Table

Akçansa Çimento Sanayi ve Ticaret A.Ş. 2010 Profit Distribution Table (TL)			
1, Paid-in/Issued Capital			**191,447,068.25**
2, Total Legal Reserves (According to Legal Records)			**86,809,030.96**
	First Legal Reserves	34,531,750.43	
	Second Legal Reserves	52,277,280.53	
Information on privilege in profit distribution, if granted by the articles of association			**None**
		According to CMB	**According to Legal Records**
3.	**Profit for the Period**	72,187,947.00	53,433,880.00
4.	**Taxes Payable (-)**	12,928,223.00	9,225,990.55
5.	**Net Profit for the Period (=)**	59,259,724.00	44,207,889.45
6.	**Losses in Prior Years (-)**		
7.	**First Legal Reserves (-)**	2,210,394.47	2,210,394.47
8	**NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)**	57,049,329.53	41,997,494.98
9	Donations during the Fiscal Year (+)	2,031,021.69	
10	**Net Distributable Profit for the Period including Donations, based on which First Dividend is Computed**	59,080,351.22	
11	First Dividend to Shareholders		
	-Cash	11,816,070.24	
	-Bonus Shares		
	- Total	11,816,070.24	
12	Dividends Distributed to Preferred Stockholders		
13	Dividends Distributed to Board Members, Employees, etc.		
14	Dividends Distributed to Dividend Shareholders		
15	Second Dividend to Shareholders	27,233,618.01	
16	Second Legal Reserves	2,947,733.48	
17	Statutory Reserves		
18	Special Reserves		
19	**EXTRAORDINARY RESERVES**	15,051,907.80	73.25
20	**Other Distributable Items**		
	- Previous Year Profit		
	- Extraordinary Reserves	0.00	0.00
	- Other Distributable Reserves as per the Law and the Articles of Association		

We hereby propose for your perusal and approval that the 2010 Annual Report be presented within the frame of the principles and guidelines to be stipulated at the Ordinary General Meeting, which will be convened on 31 March 2011; that First Legal Reserves, Taxes and legal obligations be deducted from the consolidated profit that descends on the balance sheet in the amount of TL 72,187,947 72,187,947 as per article 33 of the Articles of Association and the CMB communiqués; and the following sums be set aside out of the Net Distributable Profit in the amount of TL 57,049,329.53, which is calculated as above:

First Dividend	11,816,070.24
Second Dividend	27,233,618.01
Second Legal Reserves	2,947,733.48
Extraordinary Reserves	15,051,907.80

and TL 39,049,688.25 be distributed as profit share;
Accordingly, we hereby submit the Board of Directors decision passed on 03 March 2011 for the approval of the General Assembly for the cash distribution of dividends in the total amount of TL 39,049,688.25 out of the 2010 profit, which corresponds to a ratio of 20.397120% (gross) and 17.337552% (net), to shareholders representing TL 191,447,068.25 in the capital from 04 April 2011.

Sincerely,
Board of Directors

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Board of Auditors' Report

BOARD OF AUDITORS' REPORT (FOR THE PERIOD 01/01/2010-31/12/2010)

TO: THE GENERAL ASSEMBLY OF SHAREHOLDERS OF AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.

- The Company's	
Name	**Akçansa Çimento Sanayi ve Ticaret A.Ş.**
Head Office	İstanbul
Authorized Capital	TL 500,000,000.-
Issued Capital	TL 191,447,068.25-
Field of Activity	Cement Production and Sales, Ready-Mixed Concrete Production and Sales, and other activities as set out in the Articles of Association.
- Name(s) and position(s) of statutory auditor(s)	Levent DEMİRAĞ, Bülent BOZDOĞAN who are neither employees nor shareholders in the Company serving for a term of office of one year.
- Number of Board of Directors meetings attended and of Board of Auditors meetings held	The auditors attended two Board of Directors meetings and held one meeting of statutory auditors.
- Scope, dates and outcome of the examination of Company accounts, books and records	Examinations of the Company accounts, books and records were conducted on the below mentioned dates, and it has been established that the records are in compliance with the law and General Accounting Principles.
- Number and results of cash counts held in the Company's pay desk pursuant to Article 353, Section 1.3 of the Turkish Commercial Code	Four cash counts were made during the year and no irregularities were established.
-Dates and results of the examinations as required by Article 353, Section 1.4 of the Turkish Commercial Code	- Four examinations were carried out during 2010 (February 22nd, June 30th, August 27th and December 31st) and no irregularities were established.
- Complaints or irregularities brought to the auditors' attention and actions taken	None were received.

We have audited the accounts and transactions of Akçansa Çimento Sanayi ve Ticaret A.Ş. for the period between 01 January 2010 and 31 December 2010 with respect to their compliance with the Turkish Commercial Code, the Company's Articles of Association, other applicable legislation and with generally accepted accounting principles and standards.

In our opinion, the attached balance sheet drawn up on 31 December 2010, the contents of which we acknowledge, fairly and accurately presents the Company's financial status on the date, and the income statement for the period 01 January 2010 – 31 December 2010 fairly and accurately presents the operating results for the period. The profit distribution proposal was also found to conform to the laws and the Company's Articles of Association.

We propose that the balance sheet and the income statement be approved and that the members of the Board of Directors be acquitted of their fiduciary responsibilities for the accounts of 2010.

03.03.2011

Levent DEMİRAĞ   Bülent BOZDOĞAN

Directory

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İskaniye Mah. Akpınar Mevkii
Ladik/SAMSUN
Phone : (0362) 771 38 16
Fax : (0362) 771 38 18

ACIBADEM READY-MIXED CONCRETE PLANT
Ankara Devlet Yolu (E-5) Haydarpaşa Yönü 4. km Gayretli Sok.
Eski Ford Otosan Fabrikası
34660 Acıbadem Kadıköy/İSTANBUL

ALİAĞA READY-MIXED CONCRETE PLANT
Horozgediği Köyü Hayıtlıdere Mevkii
Aliağa/İZMİR

ARNAVUTKÖY READY-MIXED CONCRETE PLANT
Eski Edirne Asfaltı Habibler Çıkışı Derbent Mevkii
Arnavutköy/İSTANBUL

ATAŞEHİR 2 READY-MIXED CONCRETE PLANT
Barbaros Mah. Dereboyu Cad. Ardıç Sok.
Kentplas Arkası
Batıataşehir/İSTANBUL

AYAZAĞA READY-MIXED CONCRETE PLANT
Cendere Yolu Çakırlar Mah.
Ayazağa-Şişli/İSTANBUL

BEYLİKDÜZÜ READY-MIXED CONCRETE PLANT
2945 Ada 20 Parsel Mehter Çeşme Mah. Nazım Hikmet Bulvarı İnovia 2. Etap Karşısı Esenyurt/İSTANBUL

BORNOVA READY-MIXED CONCRETE PLANT
Ankara Yolu Üzeri No: 194
Bornova/İZMİR

BURSA READY-MIXED CONCRETE PLANT
Başköy Köyü Taşocakları Mevkii
Nilüfer/BURSA

BÜYÜKÇEKMECE READY-MIXED CONCRETE PLANT
Sultan Murat Cad. No: 8 Mimarsinan 34900
Büyükçekmece/İSTANBUL

BÜYÜKKARIŞTIRAN READY-MIXED CONCRETE PLANT
Kınalı Köprü Mevkii
Büyükkarıştıran/LÜLEBURGAZ

ÇORLU READY-MIXED CONCRETE PLANT
Şehsinan Mah. Kadıderesi Mevkii
Çorlu/TEKİRDAĞ

EDREMİT READY-MIXED CONCRETE PLANT
Akçay Asfaltı Üzeri Kuruçay Mevkii
Edremit/BALIKESİR

ESENYURT READY-MIXED CONCRETE PLANT
Hoşdere Köyü Harmanlık Mevkii
Bahçeşehir/İSTANBUL

GEBZE READY-MIXED CONCRETE PLANT
Sultan Orhan Mah. Taşocakları Mevkii
Gebze/KOCAELİ

GÜMÜLDÜR READY-MIXED CONCRETE PLANT
Yukarı Ovacık Mevkii PK 10
Gümüldür Menderes/İZMİR

GÜZELBAHÇE READY-MIXED CONCRETE PLANT
Çamlı Köyü Kırlar Mevkii
Güzelbahçe/İZMİR

HALKALI- KÜÇÜKÇEKMECE READY-MIXED CONCRETE PLANT
Sinpaş Bosphorus Evleri Şantiyesi
Halkalı-Küçükçekmece/İSTANBUL

KEMERBURGAZ READY-MIXED CONCRETE PLANT
Cendere Yolu Alkanat Rest. Karşısı
Kemerburgaz-Eyüp/İSTANBUL

KEŞAN READY-MIXED CONCRETE PLANT
Yeni Muhacır Beldesi E - 27 Asfaltı Üzeri
Keşan/EDİRNE

MAHMUTBEY READY-MIXED CONCRETE PLANT
İkitelli Organize Sanayi Bölgesi Girişi Kanlı Çeşme Mevkii
Küçükçekmece/İSTANBUL

MANİSA READY-MIXED CONCRETE PLANT
İnönü Mah. Meriç Sokak No: 16
Muradiye/MANİSA

MENEMEN READY-MIXED CONCRETE PLANT
Kazımpaşa Mah. Ormanbeşli Mevkii
Menemen/İZMİR

MERZİFON READY-MIXED CONCRETE PLANT
İstanbul Yolu 1. km Alıcık Yolu Üzeri
Merzifon/AMASYA

ÖMERLİ READY-MIXED CONCRETE PLANT
Uran Cad. No: 20
Ömerli-Ümraniye/İSTANBUL

SAMANDIRA READY-MIXED CONCRETE PLANT
Deveyatağı Mevkii Samandıra 2. Bölge
Samandıra/İSTANBUL

SAMANDIRA 2 READY-MIXED CONCRETE PLANT
Abdurrahman Gazi Mah. Sevenler Cad.
Ekmekçioğlu Mevkii
Samandıra-Kartal/İSTANBUL

SAMSUN READY-MIXED CONCRETE PLANT
Dereler Köyü Sündüsler Mevkii No: 189
SAMSUN

SAMSUN 2 READY-MIXED CONCRETE PLANT
Mobil Santral Yolu Selyeri Mevkii
SAMSUN

SEYRANTEPE READY-MIXED CONCRETE PLANT
Şişli Ayazağa İlçesi 4 Pafta 3 Ada 29 Parsel
Seyrantepe-Şişli/İSTANBUL

SİLİVRİ (KENTAŞ) READY-MIXED CONCRETE PLANT
Mimar Sinan Mah. Eski Çanta Köyü Üzeri Maksi Market Arkası
Silivri/İSTANBUL

TEKİRDAĞ READY-MIXED CONCRETE PLANT
Muratlı Yolu Üzeri 4. km
TEKİRDAĞ

TOKAT READY-MIXED CONCRETE PLANT
Tombulkaya Mevkii Tokat Sivas Karayolu 10. km
TOKAT

VELİKÖY READY-MIXED CONCRETE PLANT
Beylikçayır Mevkii
Veliköy-Çerkezköy/TEKİRDAĞ

YENİBOSNA READY-MIXED CONCRETE PLANT
Tem - Havaalanı Yanyolu Dereboyu Mevkii
Sefaköy/İSTANBUL

ALİAĞA TERMINAL
Horozgediği Köyü, Nemrut Körfezi Çukurova Çelik Limanı
Aliağa/İZMİR

AMBARLI TERMINAL
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