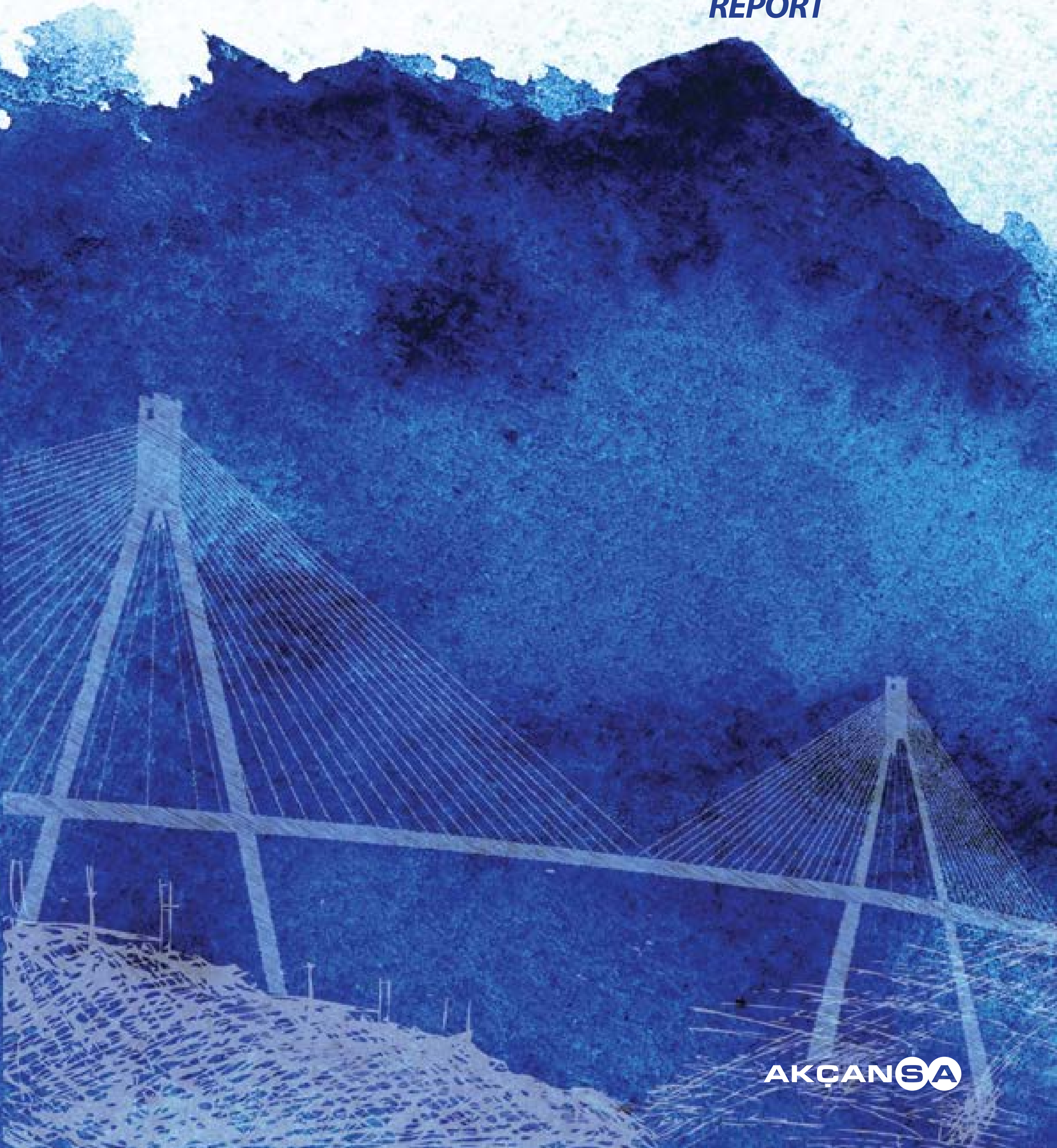
13 ANNUAL REPORT



AKÇANSA


AKÇANSA
We are Once Again the Industry's
"Most-Admired Company."
For the last 12 years Akçansa has taken pride in having been consistently voted the cement industry's "Most-Admired Company." This year is no exception.
We have triumphed once again in Capital magazine's Turkey's Most-Admired Companies survey.We move forward with a focus on the environment, our people and our future. We are growing with you as we take pride through our work in connecting continents.
EN BEĞENİLEN
www.akcansa.com.tr facebook.com/akcansa Akçansa Group

CONTENTS

AGENDA

1 Opening and formation of the Executive Board.

2 Reading and discussion of the 2013 Annual Report of the Board of Directors.

3 Reading and discussion of the 2013 Independent Auditor's Report.

4 Providing information to the General Assembly regarding donations and grants made in 2013.

5 Approval of the dividend distribution policy.

6 Reading, discussion and approval of the 2013 financial statements.

7 Discharge of board of directors from liability for the 2013 financial year.

8 Determining the manner to use the 2013 profits, and the dividend and gain rates

9 Setting the donation limits of the company in 2014.

10 Establishing Board Member remunerations and rights, such as attendance fees, bonuses and incentives.

11 Selecting the auditor.

12 Authorizing the Chairman and Members of the Board of Directors to perform the written procedures stated in Articles 395 and 396 of the Turkish Commercial Code (TCC).

AWARDS AND ACHIEVEMENTS

Akçansa strives to maintain its position as the industry's most trusted company with the most preferred business model. Its achievements have been recognized with awards in a variety of fields.

Akçansa's Accomplishments and Awards in 2013

- Voted "Turkey's Most-Admired Company" in the cement sector for the 12th time in the "Turkey's Most-Admired Companies 2013" survey, conducted by Capital magazine and Adecco.
- Maintained its lead in the cement industry, ranking 75th in the "Turkey's 500 Largest Industrial Corporations" survey, conducted in 2012 by the ICI.
- Won three awards at the 4th Sabancı Golden Collar Awards: the "Investment in People" and "Synergy Corporate Subcategory" grand prizes, as well as the Development Award in the "Market Orientation" category.
- Won second prize in the environmental and innovative product category at the 2013 ICI Environment Awards for its environmentally-friendly Safkan Cement.
- Büyükçekmece, Kemerburgaz and Samsun ready-mix concrete plants were awarded in the Turkish Ready Mixed Concrete Association's (THBB) second Blue Hat Workplace Safety Awards.
- Won first prize in the Cloud Computing Category with its "Mozaic" application and second prize in the Medium Application Category with the "Purchasing" project at the 2013 SAP Quality Awards .
- Finalist in the "Innovative Sustainability Applications Competition," organized by the Sustainable Development Association (SKD).
- Cem I 42.5 R and Safkan Cement products earned the right to carry the "Ecolabel."
- All Akçansa plants have now obtained the ISO 50001 energy management certificate.
- The Turkey 2013 Climate Change Report was published as part of the Carbon Disclosure Project (CDP). Akçansa was listed as one of the Most Transparent Companies in Combating Climate Change. Akçansa volunteered to participate in the Carbon Disclosure Project (CDP), becoming one of the leading companies in Turkey backing the cause, as it has been for the past three years. With 71 points, it ranked as one of the most transparent companies.

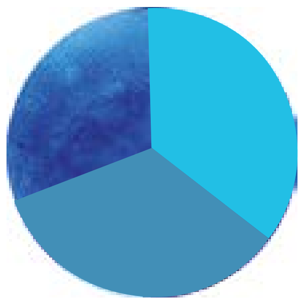
FINANCIAL AND OPERATIONAL INDICATORS

158
Net Profits (million TL)

1,202
Net Sales (million TL)

Akçansa continues to create value for its stakeholders with a successful performance.

PARTNERSHIP STRUCTURE



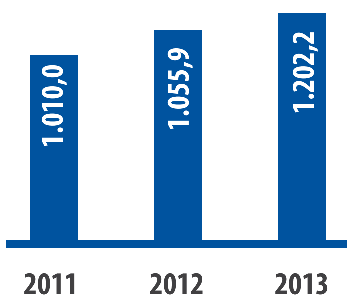
% 39,72 Hacı Ömer Sabancı Holding A.Ş.

% 39,72 HeidelbergCement Mediterranean Basin Holdings, S.L

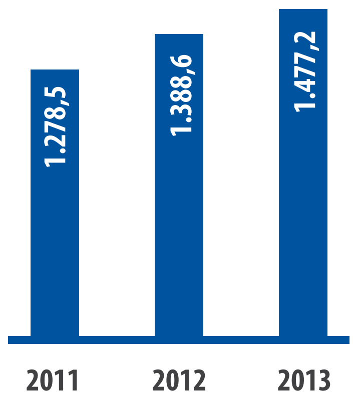
% 20,57 Other - Public Shares

Sales (million tons)	2010	2011	2012	2013	2010	2011	2012	2013
Cement - Total	6,6	6,8	6,3	6,8	20%	3%	-7%	8%
Domestic	4,8	5,3	5,1	5,8	20%	10%	-4%	16%
International	1,8	1,5	1,2	0,9	20%	-17%	-20%	-25%
Clinker - Total	1,1	0,9	1,2	0,9	-8%	-18%	33%	-25%
Domestic	0,1	0,1	0,1	0,0	-50%	0%	0%	-100%
100%								
International	1,0	0,8	1,1	0,9	-0%	-20%	38%	-18%
Ready-Mix Concrete (million m^3)	5,0	5,2	5,0	4,8	22%	4%	-4%	-4%
(million TL)								
Net Sales	817,4	1.010,0	1.055,9	1.202,2	15%	24%	5%	14%
EBITDA	132,2	192,7	214,8	270,2	-21%	46%	11%	26%
%	16,20	19,10	20,34	22,48	-7%	3%	1%	2%
EBIT	77,8	139,1	157,8	206,8	-30%	79%	13%	31%
%	9,5	13,8	14,9	17,2	-6%	4%	1%	2%
PROFITABILITY								
NET PROFIT	59,3	100,3	120,0	157,9	-21%	69%	20%	32%
Earnings per Share	0,31	0,52	0,63	0,82	-21%	68%	21%	32%
Dividend Per Share %	20,40	46,34	57,45	75,43	-14%	26%	11%	18%
NET FINANCIAL DEBT	160,5	133,3	210,5	163,5	8%	-17%	58%	-22%
EQUITY CAPITAL	830,3	862,9	911,5	987,6	3%	4%	6%	8%
TOTAL ASSETS	1.231,8	1.278,5	1.388,6	1.477,2	6%	4%	9%	6%

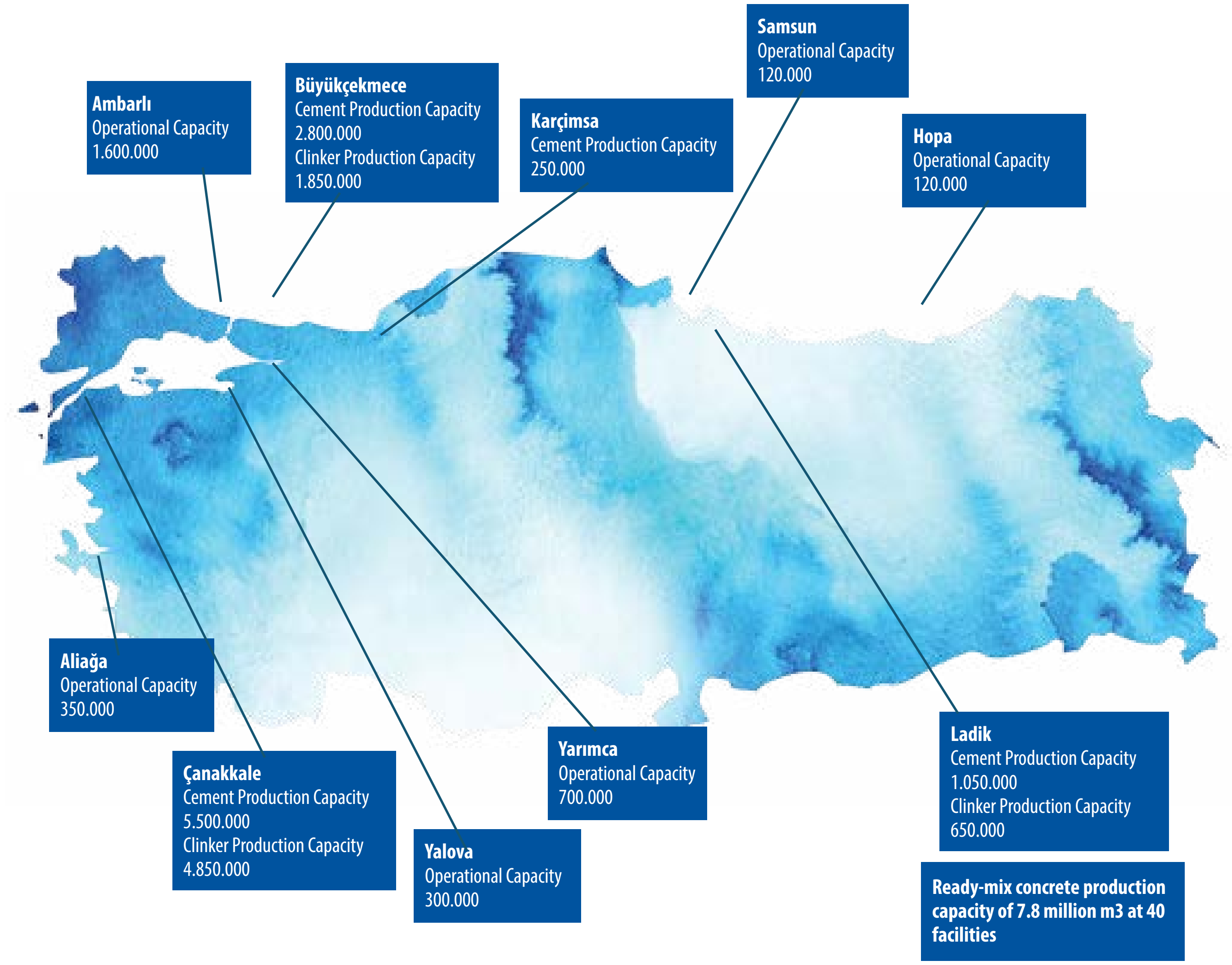
Net Sales
(million TL)



Total Assets
(million TL)



FACILITY CAPACITIES (tons/year)



PRODUCTION CAPACITY

9 million tons Cement

6,5 million tons Clinker

VISION - MISSION

Vision

“Sustainable growth beyond all borders”

To achieve sustainable growth beyond all borders as the construction materials industry’s most trusted company, with the most preferred business model.

Mission

To become a pioneering construction materials company that constantly improves the quality of life for the community by creating value for the;

- Customers, through innovative products, services and solutions,
- Stakeholders, through superior financial performance,
- Employees, through a corporate philosophy which emphasizes occupational health and safety as well as opportunities for ongoing growth,
- Environment, by giving priority to the use of alternative fuels and raw materials, recycling processes and biological diversity,
- All other stakeholders.

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Dear shareholders,

We left behind a year which saw important developments and challenges for both Turkey and the wider world. The economic crisis continued to affect the Eurozone, while it became harder to maintain stability in our own region. Financial markets, especially those in emerging economies like Turkey, were adversely affected following the announcement by the chair of the Federal Reserve that it may abandon its bond-buying program.

While economic projections look encouraging with an estimated growth rate of nearly 4 percent, which is higher than 2012, the prevailing opinion is that in 2014 we are going to be facing a politically-focused agenda as it is an election year.

In this economic and political climate, Turkish cement industry growth was higher than expected. This was thanks to large construction projects, infrastructure investments and relatively rapid urban transformation. Domestic cement consumption was 63.3 million tons and cement exports were 11.8 million tons. These figures combined comprise the highest demand in Europe, with a total of 75.1 million tons.

The industry's exports were negatively impacted due to the civil war in Syria, and social and political turmoil in the Middle East and North Africa. Cement exports reached 9.6 million tons, showing a 4 percent drop year-on-year, while clinker exports hit 2.2 million tons, showing a 22 percent decline. The majority of these exports are comprised of sales to countries such as Iraq, Russia, Libya, Israel, Syria and Brazil, as well as to West African countries.

On the other hand, in 2013 the ready-mix concrete industry grew by 10 percent. Ready-mix concrete production climbed to 102 million m3 in 2013, up from 93 million m3 in 2012. The sector was energized by urban transformation projects and the 2B land law.

In the light of all these developments, the cement industry in Turkey is more optimistic for 2014. The momentum achieved in 2013 is projected to continue, especially in the first half of 2014. Urban transformation and infrastructure projects seem likely to continue to play a major role in the industry's growth.

In 2013 Akçansa's domestic cement and clinker sales rose by 16 percent to 5.8 million tons. Turkey's total cement exports declined to 1.8 million tons in 2013, showing a 24.9 percent drop year-on-year.

The building of Istanbul's third Bosphorus Bridge is one of the major projects that our company has participated as a solution partner in. Akçansa will be providing the nearly 750,000 tons of cement - 2.5 million m3 of ready-mix concrete and 50,000 tons of special cement - that are projected to be used for the construction of the third Bosphorus Bridge, including connection roads on the European side.

Betonsa, Akçansa's ready-mix concrete brand, achieved five million m3 of combined sales across 41 plants as of the end of 2013. Our emphasis for ready-mix concrete is on specific projects and special product sales, rather than sales volume. In 2013, Akçansa continued to increasingly prioritize customer-focused projects and partnerships in important projects. 100+Concrete and A+Concrete entered the market in 2013 as the outcome of a customer-focused innovation approach. This followed their development at the Betonsa Technology Center and Istanbul Technical University's (ITU) Faculty of Civil Engineering's Construction Material Laboratory.

These efforts allowed Akçansa to boost its consolidated revenues by 14 percent to 1.20 billion Turkish lira, and increase its net profit by 32 percent to 157.9 million Turkish lira. Total consolidated investment expenditures reached 88.4 million Turkish lira, with Akçansa focusing mainly on development investments in 2013.

As Turkey's leading cement, ready-mix concrete and aggregate producer, Akçansa invests in the future and carries out its operations in a socially and environmentally conscious way, while continuing to add value.

For us, the notion of leadership encompasses the duty of moving forward not only our industry, but also the community we live in. Accordingly, we have embraced a sustainability approach at the center of all our business processes; from sales and marketing to after-sales services. We take great pride in the achievements and accolades we have been awarded throughout the year, and for the exemplary works and projects we spearhead.

The Turkey 2013 Climate Change Report by the Carbon Disclosure Project (CDP) placed Akçansa among the Most Transparent Companies in Combating Climate Change. A total of 39 companies responded to the report. Akçansa was among those which volunteered to participate, becoming one of the leading companies in Turkey backing the cause - as it has been for the past three years. The company has supported the Turkey launch of the Global Reporting Initiative's (GRI) G4 Reporting Principles, and it has laid the necessary groundwork to prepare the new sustainability report in this direction.

Here are the other developments that made the Akçansa family proud in 2013: Our environmentally-friendly "Safkan Cement" won second prize in the environmental and innovative product category of the 2013 ICI Environment Awards; we won three awards at the 4th Sabancı Golden Collar Awards: the "Investment in People" and "Synergy Corporate Subcategory" grand prizes, as well as the Development Award in the "Market Orientation" category; all Akçansa plants obtained the ISO 50001 Energy Management Certificate; we maintained our lead in the cement industry, ranking 75th in the "Turkey's 500 Largest Industrial Corporations" survey, conducted in 2012 by the ICI; at the 2013 SAP Quality Awards we won first prize in the Cloud Computing Category with our "Mozaic" application and second prize in the Medium Application Category for the "Purchasing" project; and for the twelfth time we were voted "Turkey's Most-Favored Company" in the cement sector, in the "Turkey's Most-Admired Companies 2013" survey conducted by Capital magazine and Adecco.

I would like to extend my thanks to all of our employees, business partners and customers who have made these proud achievements possible, and to our stakeholders for their continued trust.

Sincerely,

Mehmet Göçmen
Chairman of the Board of Directors

BOARD OF DIRECTORS

Mehmet Göçmen
Chairman

(Term of office: 2012-2015)*

1Mehmet Göçmen was born in 1957. Following graduation from Galatasaray High School, he received a bachelor's degree in Industrial Engineering at the Middle East Technical University (METU). He then completed his post-graduate studies in Industrial Engineering and Operational Research at Syracuse University in the United States. Göçmen began his professional career at Çelik Halat ve Tel San. A.Ş. in 1983. Between 1996 and 2002 he served as the General Manager at Lafarge Ekmel Beton A.Ş. and as the Assistant General Manager in charge of Business Development and Foreign Affairs. Between June 2003 and August 2008 he worked as the General Manager at Akçansa. Göçmen was appointed as a Board Member on September 12, 2008 and the Chairman of the Board of Directors on July 20, 2009.

Daniel Gauthier
Vice Chairman

(Term of office: 2012-2015)*

Daniel Gauthier was born in Belgium in 1957. He received a bachelor's degree in Mining Engineering from the Mons Polytechnic University and in 1982 went on to work at CBR, a HeidelbergCement affiliate. Gauthier has been a Board Member at HeidelbergCement since 2000. He is responsible for the Africa, Mediterranean, Northern Europe, and Western Europe regions, and Sustainable Environment and Group Services.

Ali Emir Adıgüzel
Member

(Term of office: 2012-2015)*

Emir Adıgüzel was born in Izmir in 1960. He graduated from Harvard Business School and received his bachelor's degree in Business Administration from Boğaziçi University. Adıgüzel began his professional career by working in Saudi Arabia for three years. He served as the General Manager at HeidelbergCement Trading as of 1996. He has been performing his duties as the Trade Chairman for the Mediterranean, Middle East and International regions, which includes Turkey, since 2004.

Faruk Bilen
Member

(Term of office: 2012-2015)*

Faruk Bilen was born in 1969. He received his bachelor's degree with a double major in Electrical Engineering at the University of Pennsylvania and in Finance from The Wharton School, University of Pennsylvania. He then received his master's degree in Management and Business Administration from Harvard Business School. Up until 1996 he worked in managerial positions in various countries, including Turkey.

He began working at Sabancı Holding as of 1996 and in September 1997 was appointed as the company's Chief Financial Officer. He also serves as a Board Member is several Sabancı Holding affiliates. Bilen is married with two children.

Atıl Saryal
Independent Member of the Board of Directors

(Term of office: April 24, 2012 - April 24, 2015)

Atıl Saryal was born in 1938 in Ankara, where he completed his elementary and secondary education. He received his bachelor's degree in Engineering from the University of Texas.

Upon his return to Turkey, Saryal took up positions in the banking industry before joining the Sabancı Group. He served as the General Manager at Adana Sasa and Marsa in addition to holding the position of Board Member. He was appointed as the Director of Food and Retail at Sabancı Group and retired from this position in 2002. In 2004 he also retired from his duties as a Board Member in the Sabancı Group. He is currently providing consultancy services to Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.

Yavuz Ermiş
Independent Member of the Board of Directors

(Term of office: April 24, 2012 - April 24, 2015)

Yavuz Ermiş was born in Ankara in 1951.

He received his bachelor's degree in Mechanical Engineering from the Middle East Technical University (METU) in 1972 and his master's degree in Business Administration from the University of Miami. From 1975 to 1979 Ermiş worked in Turkey as the Marketing Director at the Japanese firm Komatsu Ltd., a construction equipment manufacturer. In 1990 he was appointed as the Business Director at Çanakkale Çimento.He served at various positions at CBR between 1996 and 2006, and afterwards at HeidelbergCement Group.

From left to right: Hakan Gürdal, Daniel Gauthier, Mehmet Göçmen, Atıl Saryal, Yavuz Ermiş, Emir Adıgüzel

*It will be submitted for the approval of the General Assembly.

EXECUTIVE COMMITTEE

From left to right: Alican Karlıdağ, Sezgin Sezer, Okay Kılınç, Ali Kipri, Umut Zenar, Hakan Gürdal, Hakan Timur, Dr. Barış Ergen, Ozan Erinçkan, Dr. Carsten Sauerland, Arvid Stjernberg

Hayrullah Hakan Gürdal
General Manager

Hayrullah Hakan Gürdal received his bachelor's degree in Mechanical Engineering from Yıldız Technical University. After this he went on to complete master's degrees in both Business Administration and Economics at Istanbul University. Gürdal began working at Çanakkale Çimento in 1992. He was appointed as the Strategy and Business Development Director at Akçansa in 1996 and as the Assistant General Manager in Charge of Trading in 1997. Following his tenure as the Assistant General Manager in charge of Purchasing and Logistics for Ready-Mix Concrete and Aggregate, he was appointed General Manager in 2008.

Umut Zenar
Assistant General Manager (Sales and Marketing)

Appointed July 5, 2013.
Zenar was born in 1980. He holds a bachelor's degree in International Relations from Boğaziçi University's Faculty of Economics and Administrative Sciences, and an Executive MBA, also from Boğaziçi University. Zenar began his professional career as a Business Development Specialist at Zorlu Energy Group in 2003, joining Akçansa some two years later. Between 2004 and 2008 he held the positions of Sales Specialist, and Marketing & Sales Planning Executive in the Cement Sales and Marketing Department. Following tenure as the Strategy and Business Development and Marketing Manager, he was appointed as the Assistant General Manager with responsibility for Cement Sales and Marketing.

Arvid Stjernberg
Assistant General Manager (Operations)

Arvid Stjernberg was born in 1968. In 1995 he received his master's degree in Mechanical Engineering from the Royal Institute of Technology, Stockholm, before joining HeidelbergCement/Cementa as a Management Trainee in the same year. He worked in various technical and production positions in the Northern Europe organization. Since November 2010 he has been serving as the Assistant General Manager in Charge of Operations.

Dr. Barış ERGEN
Internal Audit Manager

Appointed May 23, 2013.
Ergen was born in 1977. In 2002 he received his bachelor's degree in Business Administration from Marmara University. He also completed a master's degree in Accounting and Auditing at Istanbul Commerce University in 2005 and a doctorate degree in Accounting and Finance at Marmara University. In 2007 Ergen began working at Akçansa as an Accounting Specialist and since this date has served as the Chief Accountant and Accounting Director.

Ali Kipri
Çanakkale Plant Manager

Ali Kipri was born in 1967. He received his bachelor's degree in Mechanical Engineering from Middle East Technical University (METU). In 1995 he completed a master's degree in International Business Administration from Istanbul University's Faculty of Business Administration. Kipri began his professional career in 1993 at Akçimento, serving in various positions until being appointed Plant Maintenance Manager in 2006 at Akçansa's Büyükçekmece plant.
After working as Büyükçekmece Production Manager and Büyükçekmece Plant Assistant Manager, he was appointed Plant Manager at the company's Ladik plant in 2009, and then at the Çanakkale plant in 2012.

Okay Kılınç
Büyükçekmece Plant Manager

Okay Kılınç was born in 1974. He received his bachelor's degree in Metallurgical Engineering from Istanbul Technical University in 1996 and went on to graduate from Istanbul University Faculty of Business Administration in 2009. He has served as the Production Engineer at the Karçimsa Plant, the Production Supervisor at the Büyükçekmece Clinker Plant, the Production Supervisor at the Çanakkale Clinker Plant, and the Production Manager at the Büyükçekmece Plant respectively. He was appointed as the Plant Manager at the Büyükçekmece Plant in June, 2012.

Ozan ERİNÇKAN
Assistant General Manager (Purchasing and Logistics)

Appointed on December 16, 2013.
Ozan Erinçkan was born in 1979. He received his bachelor's degree in Electrical and Electronics Engineering from Bilkent University, and in 2005 obtained his master's degree in Business Administration from the same university. Since 2002, he has worked as an R&D engineer at Georgia Centers for Advanced Telecommunication Technology, Research Assistant at Bilkent University, and at Sabancı Holding A.Ş. as Strategy and Business Development Specialist, Corporate Strategy and Planning Specialist, Corporate Business Development Specialist, and Corporate Business Development Manager respectively. Since July 7, 2011, he has served at Akçansa as AFR & Business Development Manager, as well as Energy, Fuel Procurement and Business Development Manager.

Alican Karlıdağ
Ladik Plant Manager

Alican Karlıdağ was born in 1960. He received his bachelor's degree in Mechanical Engineering from Istanbul Technical University. He worked as Plant Supervisor at Güriş Makine ve Mon. San. A.Ş. in 1985, and as the Energy and Maintenance and Repair Director at Seral Seramik between 1986 and 1993. He began his career at Akçansa in 1993 as Maintenance Supervisor (Coast) at Akçansa Çanakkale Plant, before going on to become Machine Maintenance Manager (Coast); Machine Maintenance Manager for Cement Plant; Production Manager for Cement; and Plant Manager at Cement Production Plant respectively, before being appointed as the Ladik Plant Manager in 2012.

Hakan Timur
Assistant General Manager (Human Resources)

Hakan Timur was born in 1973. He received his bachelor's degree in Economics from Istanbul University's Faculty of Economics in 1999. He began his professional career in 1996 at Çukurova İnşaat and continued on to work at Sabancı Holding from 1997 to 2011. Between 1997 and 2004 he served at Marsa as HR Specialist, HR Supervisor, HR Manager and finally as the HR Group Manager. After working from 2007 to 2009 as the Human Resources Manager of the Holding at Sabancı Holding Human Resources Group Directorate, he was appointed in 2009 as the Global HR Director at Kordsa Global, holding this position until 2011. Since November 2011 he has been Assistant General Manager in charge of Human Resources at Akçansa.

Sezgin Sezer
Managing Director of Karçimsa

Sezgin Sezer was born in 1969. He received his bachelor's degree in Economics from Istanbul University in 1991. After entering the cement sector at Çanakkale Çimento in 1994, he served as the Northern Marmara Region Sales Manager in 1996, the Eastern Marmara Region Ready Concrete District Manager in 2000, Thrace Region Ready Concrete District Manager in 2001, Aegean Region Ready Concrete District Manager in 2002, Eastern Marmara Region Ready Concrete District Manager in 2004 and Northern Marmara Region District Sales Manager in 2005 respectively. In July 2012 he was appointed Managing Director of Karçimsa.

Dr. Carsten Sauerland
Assistant General Manager (Finance)

Dr. Carsten Sauerland was born in 1978. He received his bachelor's degrees in Business Administration at universities in Manheim, Germany and Barcelona, Spain. He completed his doctorate in 2007. He began his professional career as a consultant at an international tax consultancy in Frankfurt. He joined HeidelbergCement in 2010 as the Assistant CFO of the group. Sauerland was appointed as the Assistant General Manager in charge of Finance at Akçansa in November 2012.

The reason for our existence is to add value to everything we do.

We channel our efficiency and sustainability-focused investments towards energy and sustainable environment. We create value with renewable energy and waste management operations for the environment.

CEMENT OPERATIONS

In Turkey...

The Turkish Cement Manufacturers' Association (TCMA) data puts cement production in Turkey at 71.3 million tons in 2013, with a nine percent increase year-on-year. Clinker production rose by 7.2 percent to reach 60.2 million tons in total.

In the period domestic cement consumption rose to 60.9 million tons - a 10.4 percent hike with the inclusion of data from TCMA member plants. On the other hand, total consumption grew by 12 percent to reach 63.4 million tons when non-TCMA members are included in the total.

According to a regional analysis of domestic market in Turkey, the most significant rise in cement consumption was recorded in the Mediterranean Region with 15 percent. The rates of increase in other regions were 11 percent in the Black Sea, nine percent in the Eastern Anatolia, eight percent in the Central Anatolia, seven percent in the Aegean and six percent in the Southeastern Anatolia respectively.

In parallel with the change in the consumption rate, cement use in the Marmara Region in 2013 climbed by 12 percent, with the share of this region in Turkey's total cement consumption soaring to 23 percent in the year.

Turkey's cement exports dropped to 9.6 million tons in 2013, showing a four percent decline year-on-year, while clinker exports fell to 2.2 million tons with a 22 percent plunge.

The majority of these exports are comprised of sales to countries such as Iraq, Russia, Libya, Israel, Syria and Brazil, as well as to West African countries.

Cement Production and Consumption in Turkey (million tons)*

	Production	Domestic Consumption
2008	51,4	40,6
2009	54,0	40,0
2010	62,7	47,7
2011	63,4	52,3
2012	63,9	53,9
2013	71,3	60,9

*Including data from the Turkish Cement Manufacturers' Association (TCMA) member producers.

Turkey's Cement and Clinker Exports (million tons)*

	Cement	Clinker	Total
2008	10,6	1,9	12,5
2009	15,6	3,9	19,6
2010	15,1	2,8	17,8
2011	11,2	2,4	13,6
2012	9,7	2,8	12,5
2013	9,6	2,2	11,8

*Including data from TCMA member producers.

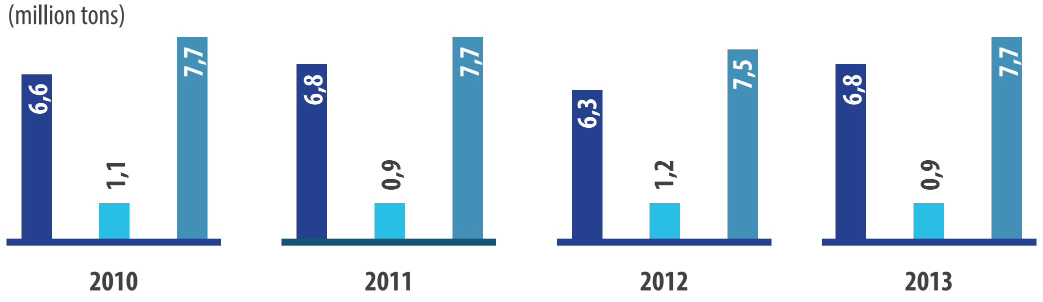
In Akçansa...

Sales

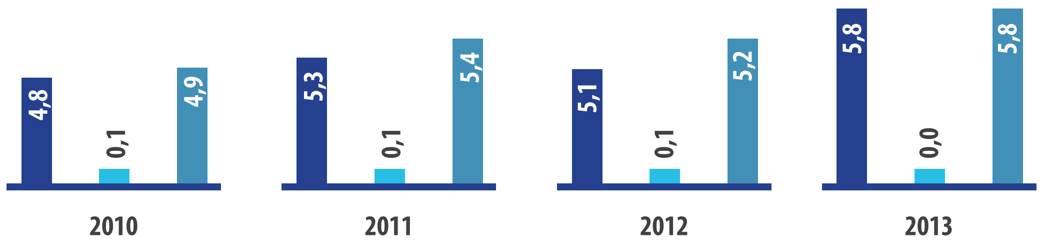
In 2013, Akçansa's domestic cement and clinker sales rose by 16 percent to 5.8 million tons. The total exports declined to 1.8 million tons in 2013, showing a 24.9 percent drop year-on-year.

Total Sales
(million tons)

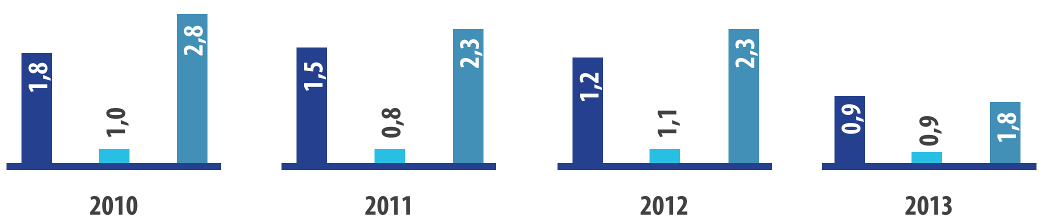
Cement Clinker Total



Domestic Sales
(million tons)



Exports
(million tons)



Our customer-centric approach defines who we are.

We aspire to meet expectations in the most efficient manner, from production to after-sales services, while providing the best solutions for the needs of our customers, whom we consider as our business partners.

Sales and Marketing

Akçansa positions its customers as business partners. It differentiates itself by offering services and products that create added value, striving to effectively meet customer expectations - from the production phase to after-sales services. Its market orientated approach won Akçansa the "Development Award" at the 4th Sabancı Golden Collar Awards.

Akçansa endeavors to keep up with trends by protecting the interests of its customers and to perform accurate analyses, which are used for the purpose of increasing awareness. Accordingly, the company has initiated a broad customer-centric service approach. This is through the application of a marketing strategy which goes beyond traditional methods. This marks a shift from a supplier-customer practice to a business partnership approach.

A first from Akçansa: B2B Marketing Summit

On January 22, 2012, Akçansa hosted a marketing summit at which expert speakers discussed the latest trends in B2B (business-to-business) marketing. Participants included numerous executives from all areas of the business world, as well as marketing directors and academicians. Over 400 guests took part in the summit, which was hosted at the Sabancı Center, Hacı Ömer Sabancı Conference Hall.

Among those who made presentations tackling the issue of B2B marketing were Engin Aksoy, Vice Chairman of the Executive Board at Vodafone Enterprise Business; Vural Çakır, CEO of Ipsos; futurist Ufuk Tarhan, and Hakan Gürdal, General Manager of Akçansa. The summit was moderated by brand consultant Temel Aksoy.

Akçansa Business Partners Convene in Turkish Republic of Northern Cyprus

The Akçansa Traditional Business Partners Convention was held in the Turkish Republic of Northern Cyprus (TRNC). Participants included Güler Sabancı, Chair of Sabancı Holding's Board of Directors, and Mehmet Göçmen, Chairman of the Sabancı Holding Cement Group's Board of Directors. Akçansa's recent projects, changing marketing approach, and objectives for 2013 were presented at the convention, at which nearly 200 business partners were in attendance.

Akçansa presents a card with benefits: Yapı Club

Turkey's leading construction materials company created the Akçansa Yapı Club Card. Yapı Club Card makes it possible to swiftly obtain all Akçansa products through one channel. This also creates a positive impact on the productivity and profitability of the business partners. The Yapı Club Card pilot scheme was initiated with Akçansa products and, with the participation of other construction material companies, it will soon have a much wider network. Akçansa sets itself apart from the industry with its leadership in cement and ready-mix concrete production, as well as with its growing portfolio of innovative products. The company aspires to improve business partner satisfaction with the Yapı Club Card.

Future Leaders

One of Akçansa's primary objectives is to move its business forward. To help achieve this, "Future Leaders" meetings are organized and training sessions held with the new generation of dealer representatives, with the aim of helping to develop their corporate philosophy. Akçansa places great importance on sustainable business operations with the dealers. It also aspires to promote our corporate philosophy, and to ensure that promising individuals take their place in the great Akçansa family.

Dealers Committee

The Dealers Committee is built on the concept of making decisions jointly with dealers. It convenes twice a year to discuss issues such as projects, innovations, future objectives and expectations. Akçansa develops and implements innovations according to dealer expectations.





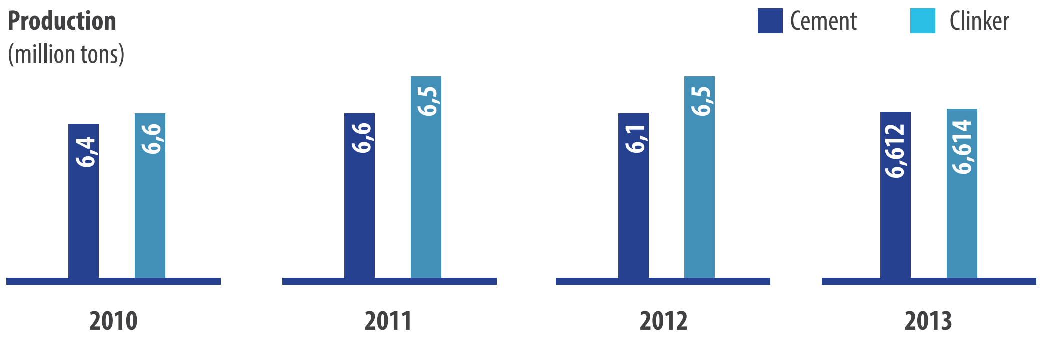


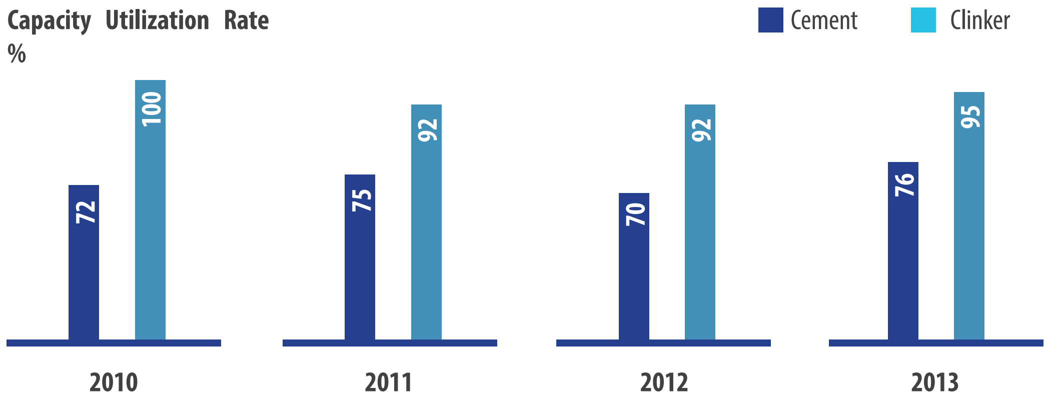


We got together with the new generation of dealer representatives!

Production

In 2013 in Akçansa's Büyükçekmece, Çanakkale and Ladik plants, 6.6 million tons of clinker and 6.6 million tons of cement was produced in total. These production values comprise 8.4 percent of total clinker production and 10.5 percent of total cement production. All Akçansa production operations fully adhere to the OHSAS 18001 occupational health and safety management standards, BS EN ISO 9001:2000 quality management standards, and BS EN ISO 14001 environment management standards. The inspections performed by the British Standards Institute (BSI) have been successfully completed, ensuring the renewal of all certificates.





Occupational Health and Safety

Employee training seminars and effective inspection activities were successfully held in 2013, helping to continually improve occupational health and safety management systems.

Alternative Fuel and Raw Materials:

In 2013, a total of 101,476 tons of alternative fuel were used in all of our plants. This amount corresponds to nearly 6.67 percent of the calorific value of the total fuel used.

The alternative fuel use in the plants was as follows: Büyükçekmece; 79,221 tons (15 percent), Çanakkale; 17,666 tons (4 percent) and Ladik; 1,568 tons (2 percent).

Investments

The building of Istanbul's third Bosphorus Bridge is one of the major projects that Akçansa has participated as a partner in. Akçansa is providing the concrete for the third Bosphorus Bridge and the connection roads on the European side. Nearly 750,000 tons of cement - 2.5 million m3 of ready-mix concrete and 50,000 tons of special cement - is projected to be used for the construction of the third Bosphorus Bridge, including the connection roads on the European side. The foundation of the project was laid on May 29 and it is expected to be completed in two years. Concrete pouring for both the freeways and bridge began following the construction of suitable pouring facilities. Akçansa's consolidated investment expenditures in 2013 were 88.5 million TL.

Büyükçekmece Plant

- The Dynamic Separator Project began in August at the No. 1 Cement Mill of the Büyükçekmece plant, for the purpose of improving capacity and quality.

- By transitioning to state-of-the-art "bag-type" filters for all electrofilters on the clinker production line and mills at the Büyükçekmece plant, dust emission levels were reduced to 1-2 mg/m3. Furthermore, a de-dusting project for the whole area was put into action.

- In order to improve capacity and quality, the Dynamic Separator Project was approved for Büyükçekmece plant's No. 2 Cement Mill. The project is on track. Installation of the dynamic separator has started and the system is projected to come into effect in March 2014.

- Operations have been completed to reclaim surface water at our Büyükçekmece plant. Residue waste water from the coal storage field is deposited in the pool, and then pumped back on to the coal and grid stock for de-dusting. Surface water that goes through a silo washing operation is refined with a filter, and then recycled through the pump for re-use in the washing system.

- The operation to close the Büyükçekmece plant's coal storage area was completed in January.

Çanakkale Plant

- "Alternative Fuel Feeding Investment" at Çanakkale plant was completed in 2013 and as of March 2013 the project became operational. Alternative fuel in the amount of 20,030 tons was burned in the rotary kiln.

- Mill performance at the Çanakkale plant was improved by building a reject system on the first line raw bell mills. The raw bell mill system was built from the first line to the second line in order to increase production efficiency.

- Sling Bag and Big Bag filling capacity was improved 50 percent with the addition to the packaging area of one packaging machine, three loading docks and one Big Bag filling machine.

Ladik Plant

- Ladik plant purchases its energy based on the distribution system. In order to become a power transmission line user, a 154 kV power transmission line and switching station will be built. This will allow energy purchases based on the more advantageous power transmission line price list.

This project is set to be completed in 2014.

People come first.

We ensure the provision of healthy, safe, and environmentally-friendly work conditions, placing the greatest emphasis on social and ethical values.

Domestic Market

Tip	Name	Standard
Klinker	Clinker	TS EN 197-1
Klinker	Sulphate Resistant Cement Clinker	TS 10157
CEM I 42,5 R	Portland Cement	TS EN 197-1
CEM I 52,5 N	Portland Cement	TS EN 197-1
CEM I 32,5R-SR5	Sulphate Resistant Portland Cement	TS EN 197-1
CEM II A-LL 42,5 R	Portland Calcareous Cement	TS EN 197-1
CEM II B-LL 32,5 N	Portland Calcareous Cement	TS EN 197-1
CEM II/B-M (P-L) 32,5 R	Portland Composite Cement	TS EN 197-1
CEM II/B-M (S-L)32,5 N	Portland Composite Cement	TS EN 197-1
CEM II/A-S 42,5 R	Portland Slag Cement	TS EN 197-1
CEM IV/B (P) 32,5 N	Pozzolanic Cement	TS EN 197-1
CEM IV/A (P) 42,5 N-SR	Sulphate Resistant Pozzolanic Cement	TS EN 197-1

Foreign Market

Klinker		TS EN 197-1
CEM I 42,5 R	Portland Cement	TS EN 197-1
CEM I 52,5 N	Portland Cement	TS EN 197-1
CEM I 32,5R-SR5	Sulphate Resistant Portland Cement	TS EN 197-1
CEM II A-LL 42,5 R	Portland Calcareous Cement	TS EN 197-1
CEM II B-LL 32,5 N	Portland Calcareous Cement	TS EN 197-1
CEM II/B-M (P-L) 32,5 R	Portland Composite Cement	TS EN 197-1
CEM II/B-M (S-L)32,5 N	Portland Composite Cement	TS EN 197-1
CEM II/A-S 42,5 R	Portland Slag Cement	TS EN 197-1
CEM IV/A (P) 42,5 N-SR	Sulphate Resistant Pozzolanic Cement	TS EN 197-1

Ürün Belgeleri

CE Product Certificate	CE Certificate of Conformity from the Council for Quality and Environment (CQE) for CEM I 42.5 R	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM I 52.5 N	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM II/ A-LL 42.5 R	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM II/ B-LL 32.5 N	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM I 32.5 R - SR5	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM II / B-M (P-L) 32.5 R	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM II/ B-M (S-L) 32.5 N	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM IV / B (P) 32.5 N	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM IV /A (P) 42.5 N - SR	TS EN 197-1
CE Product Certificate	CE Certificate of Conformity from the CQE for CEM II/ A-S 42.5 R	TS EN 197-1
Product Certificate	Turkish Standards Institute (TSE) Certificate of Conformity for CEM I 42.5 R	TS EN 197-1
Product Certificate	TSE Certificate of Conformity for CEM I 52.5 N	TS EN 197-1
Product Certificate	TSE Certificate of Conformity for CEM II/A-LL 42.5 R	TS EN 197-1
Product Certificate	TSE Certificate of Conformity for CEM II/B-M (P-L) 32.5 R	TS EN 197-1
Product Certificate	TSE Certificate of Conformity for CEM V/A (S-P) 32.5 N	TS EN 197-1
Ürün Sertifikası	TSE Certificate of Conformity for CEM IV/B (P) 32.5 N	TS EN 197-1

System Certificates

TS EN ISO 9001:2008 quality management system certificate from the Turkish Standards Institute (TSE).
OHSAS 18001 occupational health and safety management system certificate from the British Standards Institute (BSI).
ISO 5001:2011 energy management system certificate and ISO 14001:2004 environment management system certificate from the BSI.

The world is a smaller place with our ports!

AKÇANSA PORT

Covering a total area of 50,000 m2, situated at key locations.

With its port at Ambarlı, Akçansa demonstrates its dedication to logistics.

Akçansa is a major player at the Ambarlı port, providing third parties and companies with complete port services. It supports the shipping needs of many organizations and makes a contribution to Turkish economy. Ports operate 24-hours, allowing the safe delivery of products at desired locations, on time.

We are bringing continents closer together.

Akçansa strives to achieve the vision of sustainable growth beyond all borders, and by linking two continents to each other, it proves how appropriate this objective was.

READY-MIX CONCRETE and AGGREGATE OPERATIONS

Accomplishments in the Industry...

According to Turkish Ready Mixed Concrete Association (THBB) data, in 2013 the ready-mix concrete industry grew 10 percent. Ready-mix concrete production rose to 102 million m3 in 2013, up from 93 million m3 in 2012. Public projects comprised the majority of the industry's growth. Urban transformation projects and the 2B Law in particular are thought to have invigorated the ready-mix industry in 2013.

Ready-Mix Concrete Industry in Turkey	2009	2010	2011	2012	2013
Number of Facilities		900	940	980	1050*
Production Amount (million m3)	66,4	79,7	90,4	92,5	102,0*

Accomplishments at Akçansa...

Sales

Betonsa, Akçansa's successful Ready-Mix Concrete brand operating in the Marmara, Aegean and Black Sea regions, achieved 4.9 million m3 of sales across 41 plants as of the end of 2013. In 2013, Akçansa continued to increasingly prioritize customer-focused projects and important project partnerships.

Standout projects in 2013 include: Marmara Region; the third Bosphorus Bridge and Northern Marmara Highway, Quasar Istanbul, İş REIT Tuzla Technology and Operation Center, Şişecam R&D Center, Çatalca Muratbey Customs House, Atatürk Dormitory, Özak REIT Hayat Tepe, Koç University Faculty of Medicine, and Ersa Hotel and Congress Center. Thrace Region; Namık Kemal University Hospital. Aegean Region; Habaş. Black Sea Region; Samsun Sheraton Hotel and the 19 Mayıs Stadium projects.

Betonsa	2009	2010	2011	2012	2013
Number of Facilities	35	39	40	40	41
Sales Amount (million m3)	4,0	5,0	5,2	5,0	4,9

***Including Karçimsa concrete plant.**

Agregasa

In 2013, aggregate sales with the Agregasa brand name reached 3 million tons in four different plants in Kemerburgaz, Saray, Bursa and Samsun.

Agregasa	2009	2010	2011	2012	2013
Number of Facilities	4	4	4	4	4
Sales Amount (million tons)	1,5	2,0	1,9	2,9	3,0

Investments

In 2013 operations began in 10 facilities. These were built in Tuzla, Mecidiyeköy, Manisa, Poyrazköy Mobil, Çatalca, Garipçe (two plants), Poyrazköy (two plants), Odayeri (two plants), Çekmeköy and Uskumruköy. A total of 12 million Turkish lira was invested for the Garipçe and Poyrazköy plants, as well as for pumping equipment for the Istanbul third Bosphorus Bridge project. Eight new-type coil treatment systems have been built and put into operation in Garipçe, Poyrazköy, Çatalca, Odayeri, Büyükkarıştıran, Silivri, Uskumruköy and Tuzla plants. Also, two new filter press applications have been put into service in the Garipçe and Poyrazköy plants.

A 600 m2 workshop building investment was made in the Kemerburgaz Plant for maintenance and repair works.

Waste disposal areas have been built in our facilities, in accordance with waste management regulations. Personnel have received waste management training. In addition, an agreement was made with a waste management company to ensure waste disposal in accordance with the law and regulation. In 2013, mobile hazardous waste containers were put in place at our project facilities. This was piloted at the Garipçe Plant.

Inspections and training were organized to increase environmental awareness amongst personnel. Various training programs covering the environment have been organized at each regional office for regional directors, facility managers and supervisors.

As part of the 2013 aggregate environmental investments, a filter press project was been initiated and a mechanical plant facility built at the Saray Aggregate Plant. The roofs of Kemerburgaz and Bursa Aggregate plants have been covered to prevent emission. Breakers and sieves have been placed indoors, and the tops of all of the belt conveyors have been covered.

New Products

100+Concrete and A+Concrete entered the market in 2013 following development at the Betonsa Technology Center and ITU Faculty of Civil Engineering's Construction Material Laboratory.

100+Concrete is used for large infrastructure projects (bridge, airport, subway and highway) that require a service life of 100 years or over. It is produced using low-alkaline special cement and mineral additive. 100+Concrete is capable of retaining its superior impermeability and durability properties for many years. Complying with all the criteria in the third Bosphorus Bridge project's contract specifications, it has consequently become the project's preferred choice of concrete.

A+Concrete is a low-emission, high-performance product which is resilient to environmental effects. It has been developed for use in environmentally-friendly and sustainable buildings. A+Concrete product consists of three main categories depending on the area of use: of A+Concrete Foundation, A+Concrete Road and Paving, and A+Concrete Structural. Up to 70 percent of ground blast furnace slag substitute is used to produce A+Concrete. For this reason, it is the best solution for environmentally-friendly buildings.

R&D Activities

In 2013, a total 1,108 concrete tests were performed at the Betonsa Technology Center Laboratory for R&D, optimization and special product development efforts. The tests were performed for the following: Special Products, Aggregate Performance, Cement Performance, Chemical Additives, Mineral Additives and Project-Specific Solution tests. In addition to these, Aggregate Pollution Tests (Blue Methylene, Sand Test, Sand Equivalent, CaC03 Determination, Washing in 0.063mm Sieve) and Aggregate Sieve Analyses are performed periodically. In 2013, 489 sieve analyses and fine aggregate pollution tests were conducted.

Training Operations

In 2013 a total of 112 personnel participated in technical-vocational training organized by the Turkish Ready Mixed Concrete Association. Upon passing their exams they received certificates. These personnel consist of Pump-Mixer Operators, Switchboard Operators and Laboratory Technicians.

Technical tour programs aimed at university students took place at the Büyükçekmece Cement Plant and Ready-Mix Facility in Istanbul, Menemen Ready-Mix Concrete Facility in the Aegean Region, Çorlu Ready-Mix Concrete Facility in the Thrace Regions and Tokat Ready-Mix Concrete Facility in the Black Sea Region. During the programs, students were introduced to the production process and automation systems. Supported by visual demonstrations, standard tests conducted in the cement and ready-mix concrete laboratories were introduced. Technical trips were concluded with a seminar on cement technology, concrete technology and special ready-mix concrete products.

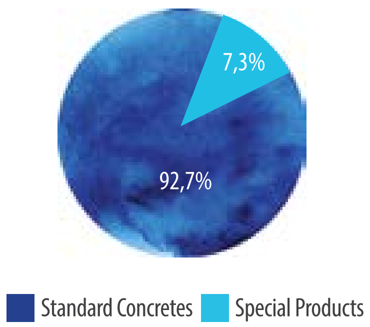
Ten different technical trips were organized, with the participation of 355 students from Adnan Menderes University, Arel University, Boğaziçi University, Chamber of Construction Engineers Young IMO members, Istanbul University, Namık Kemal University, Okan University, Tokat Gaziosmanpaşa University, Yıldız Technical University and Istanbul Technical University.

100+CONCRETE

A+Concrete

Ready-Mix Concrete Product Range

Our ready-mix concrete facilities produce concrete products in various classes of consistency and aggregate sizes, with regular and high resistance rates ranging from C 8/10 to C 100/115 in accordance with TS EN 206-1 standards.



High Performance Concretes, High-Early-Strength Concretes, Tunnel Formwork Concretes, High Rise Building Concretes, Concrete Types Suitable for Environmental Condition Classes, High-Durability Concretes, Concretes Suitable for Special Formwork Technologies and Heat of Hydration Controlled Concretes are also among the items produced with various consistency and aggregate sizes to meet the needs of the customers.

Our facilities and products possess both G and TSE certificates. All tests and controls stipulated by the standards regarding our raw materials and products can be performed in our TSE-compliant laboratories.

Our facilities also have Quality Assurance System (QAS) certifications issued by the THBB. Our facilities and products are periodically inspected by the Ministry of Environment and Urban Planning, TSE and the THBB.

As a result of research conducted by the Betonsa Technology Center and ITU Faculty of Civil Engineering's construction materials department, self-compacting concretes, fibre-reinforced industrial floor concretes, screed concretes, light concretes and various special products for sustainable buildings have been developed as part of the Betonsa Special Product range.

Special Products

In 2013, Special Products sales reached 338,894 m3 with their share in total ready-mix concrete products rising to 7.3 percent.

100+Concrete: Betonsa's concrete product with superior durability and impermeability properties. 100+Concrete is used for large infrastructure projects (bridge, airport, subway and highway) that require a service life of 100 years or over. It is produced using low-alkaline special cement and mineral additive. 100+Concrete is capable of retaining its superior impermeability and durability properties for many years.

A+Concrete: Betonsa's low-emission and environmentally-friendly concrete product. A+Concrete is a high-performance product which is resilient to environmental effects. It has been developed for use in environmentally-friendly and sustainable buildings. A+Concrete product consists of three main categories depending on the area of use: of A+Concrete Foundation, A+Concrete Road and Paving, and A+Concrete Structural. Unlike cement, up to 70 percent of ground blast furnace slag substitute is used to produce A+Concrete. For this reason, it is the best solution for environmentally-friendly buildings.

Viskobeton: Betonsa's self-compacting concrete product. Viskobeton is produced for resistance classes of C 40/50 and over, in accordance with TS EN 12350 standards. Due to its low water/binding rate, it is used in buildings that require high strength and resistance, in reinforcement projects, for compactly reinforced members and narrow profile molds, in areas where high quality smooth surfaces are desired, at urban construction sites, for aesthetic mold designs, and in places where it is not possible to use concrete vibrators.

Viskotemel: 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, in accordance with TS EN 12350 standards, Viskotemel has a 50 cm minimum spreading property and offers both a cost advantage and ease of implementation in projects that require impermeability. This impermeability is caused by its low water/binding.

Viskoperde: Betonsa's self-compacting concrete product that is specifically designed for use in vertical construction elements. Produced in C 30/37 or C 35 /45 resistance classes, in accordance with TS EN 12350 standards, Viskoperde has a 65 cm minimum spreading property and an increased rate of fine aggregate. It offers ease of application, passing quickly through compact reinforcements without the use of a concrete vibrator.

Viskokat: Betonsa's self-compacting concrete product that is specifically designed for use in horizontal construction elements. Produced in C 30/37 or C 35/45 resistance classes, in accordance with TS EN 12350 standards, Viskokat has a 55 cm minimum spreading property and offers a cost advantage and casting ease, negating the need for tedious surface correction labor.

Drabeton: Betonsa's concrete product with steel wire reinforcements, produced for use on industrial floors. Darbeton provides savings in labor during the stocking, placement and supervision stages at construction sites. Areas of application are: Floor concretes, concrete finishings and protection concretes, site concretes, factory floors, car parks, concrete roads, gas stations, stocking areas, grout-free floor concretes, cold storage floors, fitting concrete finishings, topping concretes, port coverings and shipyards.

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.

Fortabeton: Betonsa's macro-synthetic fiber fortified product. Fortabeton provides complete solutions, especially in industrial floor concretes. It is able to achieve high bending, stretching and corrosion resistance.All concrete surfaces, sprayed concrete and precast pouring are among application areas.

Viskoşap: Betonsa's self-compacting special screed product. With its minimized cracking risk, Viskoşap has no grout, can be pumped, hardens quickly and has a pressure resistance of 30 MPa. It aims at minimizing the problems faced in traditional concrete finishing.

İzoşap: Betonsa's light ready screed product. Its light, cavernous structure promotes heat insulation. It is very fluid. It can be pumped with a cement finish or concrete pump. It has a low unit weight (density). Unnecessary loads on structures are therefore reduced.

Yeşilşap: Betonsa's environmentally-friendly and light screed product. By using cement with mineral additives, CO2 emissions are reduced by up to 35 percent. In addition to improving thermal insulation in buildings, it is also 25 percent lighter than traditional screed products as air entrained volume is 25 percent, thanks to special chemical additives.

Polarbeton: Betonsa's special ready-mix concrete product with high thermal insulation. Polarbeton is 80 percent lighter than traditional cement finish. It is used for floor insulation. Special chemical additives used in its production create spherical air pockets, allowing the formation of a very lightweight concrete product with highly effective insulation.

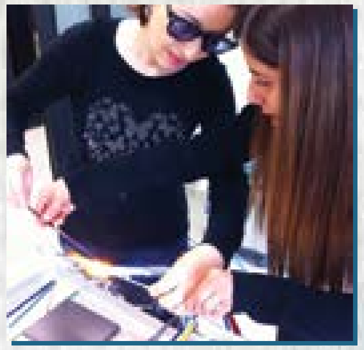
İzobeton: Betonsa's lightweight concrete product used for insulation purposes. Areas of application are as: concrete finishing and filler concrete applications applied to avoid unnecessary loads on the structure; inner walls and fixtures of prefabricated structures where heat and sound insulations are required; on- or under-water insulation coating as leveling or protective concrete; and repairs of old floors that require filling but do not have high resistance expectations.

Ready-Mixed Wet Plaster: Betonsa's product produced by using special chemical additives at concrete plants. Delivered to sites in trans-mixers, ready mixed plastering can be used at sites for up to 48 hours if preserved in suitable conditions. Has a lightweight and flexible structure. Perfect adhesion properties allow its use on bricks, gas concrete, briquette surfaces as well as on internal and external plasters, walls and ceilings.

Dekobeton: : Decorative floor covering material system designed for exterior spaces and produced by using press concrete technology. Dekobeton's main areas of use are in landscaping, parks, pool sides, urban recreation areas, environmental landscaping, roads, marinas and piers, shopping malls, parking lots and gas stations.

Shotcrete: Dry mix concrete that is produced at Betonsa's ready-mix concrete plants. Shotcrete is sprayed with pressurized pumps and special powdered chemical supplements. It is used in underwater insulation protective concrete and slope stabilization applications, in structures such as galleries and tunnels.

Pratikbeton: Betonsa's Pratikbeton, with a flexible piping method, provides a special solution on long distances. Pratikbeton presents a solution to the circulation formed at sites where pumps cannot approach the pouring location. It also provides advantages to customers in terms of pouring convenience and speed.



Social Responsibility projects are a part of our business.

We place great emphasis on making a positive impact on the society in areas such as culture, arts, education, sports and the environment.

SOCIAL RESPONSIBILITY

Akçansa is the most prominent player in Turkey's cement sector. With this leadership comes the responsibility of moving both the industry and its reputation forward. Akçansa considers socially beneficial projects as part of its business. As such, it strives to fully implement social responsibility projects.

In this context, Akçansa is a corporate citizen that provides support to its areas of activity and to growth. It does this through its plants and facilities, as well as developing projects for the benefit of the community in areas such as education and culture. Akçansa strengthens its leadership in the industry by combining competitiveness, financial performance and innovation capability. This includes the use of alternative fuels and raw materials acquired from special products, with a respect for the environment and the application of social responsibility projects and pioneering practices in human resources.

As part of its social responsibility commitments, Akçansa uses its resources to promote culture, arts, education, sports and the environment. This is while utilizing the country's natural resources to make a contribution to the economy through employment, production and exports, and industrial investments.

Akçansa has consequently partnered with non-governmental organizations, local administrations and private organizations in a number of projects aimed at preserving historical, cultural and natural riches.

The company is driven with an awareness for social responsibility at the plants. It has provided assistance in various forms to villages, municipalities, military organizations and schools that are located near to production facilities.As the first company in the cement sector to handle waste in accordance with all waste disposal legal requirements, and the first company to make investments in this field, Akçansa created the "CO2 Single Carbon, Double Oxygen" project. The project's slogan is "real value can be produced by both waste collection and proper waste disposal." "Send your waste to us!" This is the project's appeal to all companies, local public and private institutions, and municipalities that produce waste in the cities where we operate. The objective of the project is to help these companies in reducing their carbon footprint through the healthy and safe disposal of waste.

Akçansa embraces a sustainable life approach, attaching great importance to social responsibility efforts in the regions where it operates. Accordingly, it runs the "Surrounded by the Environment" initiative with the purpose of providing education on the environment to children, to whom it aspires to leave to better future.

Akçansa environmental engineers educate students at third, fourth and fifth school grades on issues of global warming, ways to help preserve the Earth, proper waste disposal, measures against pollution, as well as Akçansa's environmentally-friendly industrial practices.

In light of Akçansa's vision of growth beyond borders, the company presented "Our Sustainability Strategy and Sustainability Reporting" at the 5th Corporate Market Place. This event was organized by the Corporate Social Responsibility Association's of Turkey (CSR Turkey) and Europe (CSR Europe). It was held at Kadir Has University.

Concrete Ideas Project Competition

The fourth "Concrete Ideas Project Competition" drew great interest. The event was organized by Akçansa to help university students get acquainted with the industry, to encourage them to discover their creativity, and to ensure they contribute to their field.

Young people were called upon to generate different and creative marketing ideas that will provoke consumers to question the brand of concrete, and which will create awareness in the industry.

The project, titled "Create Awareness, Enrich Life," was open to undergraduate and postgraduate students from all disciplines. In addition to the students from the Construction Engineering and Architectural Department, this year for the first time students from the Faculties of Economics and Administrative Sciences, Business Administration, Communication, and Fine Arts participated in the competition.

Competition finalists were announced at a ceremony at the Sabancı Center on May 15, 2013. The competition was won by Grup Brüt for their "Interactive Concrete Museum" project. The group was comprised of four students from the METU Department of Architecture. Second place went to group Bi'Ton Fikir from Boğaziçi University, with Grup Shke taking the third place.

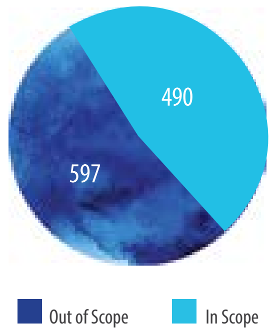
Biodiversity Project Competition

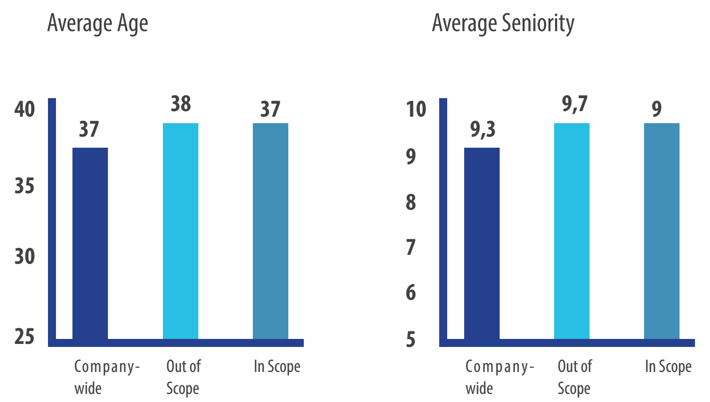
This year we took part in the "Quarry Life Award," an international competition. The competition covers over 40 countries in which our foreign partner HeidelbergCement operates. Its main aim is to raise awareness amongst university students for the improvement of biological diversity at mine fields. We believe that it will contribute to our environmental and social responsibilities, which are two main focuses of our sustainability strategy.In a pre-screening on March 1, 2014, a national jury will evaluate project submissions prepared by university students at two sites we select. Submissions that progress to the next stage will undergo further evaluation by the same jury on September 1, 2014, and have a chance to win the top three awards. The winning project will go on to represent Turkey (Akçansa) in the international competition.

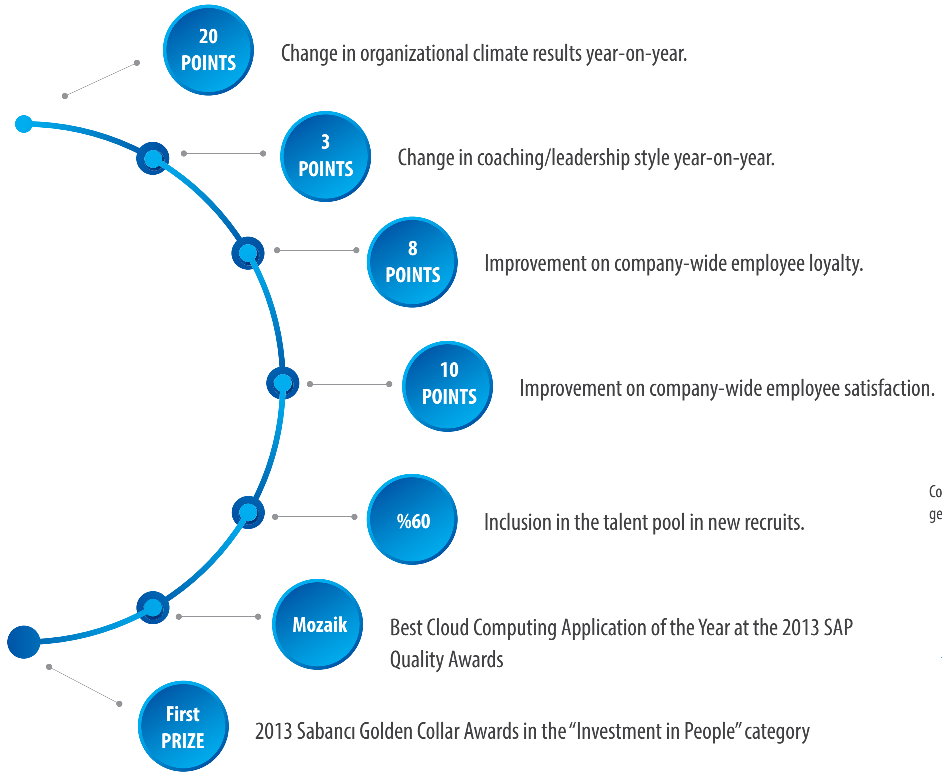
HUMAN RESOURCES

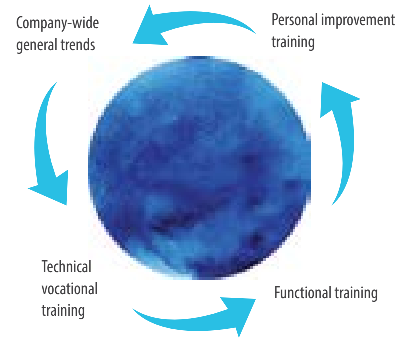
We take pride in being the industry's most-admired company for the past 12 years. We grow with our employees, moving forward with an emphasis on creating a positive organizational climate that allows our personnel to accomplish their objectives.

AKÇANSA
Distribution of Personnel









HR Strategy & Organizational Development (Leadership, Climate, Organization, Competence)
Akçansa is driven with the HR vision of consistently becoming the industry's most-admired employer. It considers employees as the foundation of all of its operations.
Accordingly, it constantly strives to develop practices and processes that;

- Bring in talented individuals and retains employee loyaltly,
- Creates a positive working environment,
- Encourages employee participation and growth in management,
- Ensures stakeholder participation and satisfaction.

As part of the strategic human resources management requirement, we integrate all functions in line with their objectives. We maintain operations and improvements on the sub-topics of the organizational climate, which shapes both the corporate culture and leadership style, examining HR strategy and short/mid-term (X-1, X-5) objectives.
We determine areas of improvement by regularly performing a Worklife Assessment Questionnaire, which measures personnel satisfaction and loyalty levels. This is while also improving our main areas of focus by taking guidance from the suggestion system, in which we transform employees' innovative ideas into value for the organization.

We are proud to have won first prize in the "Investment in People" category at the 2013 Sabancı Golden Collar Awards. This was awarded in recognition of our human resources practices, which we are constantly building on and implementing.

Recruitment and Placement

As the industry's most-admired company, we strive to gain strength by establishing strong ties with potential candidates who love their work as much as we do, and who wish to be a part of Akçansa.

Employees become acquainted with Akçansa's equal-rights work environment at the time of the recruitment process. During recruitment the candidates are under no circumstances asked to provide information regarding their religion, language, race, denomination, gender, physical state or lifestyle preferences. All practices that may be perceived as discriminatory are avoided. In order to determine whether they possess the qualifications required by the position, candidates are recruited following an assessment process (competency-based interviews, personality and foreign language tests) that is based on multiple observations and objective criteria. Recruitment processes are managed by using various platforms (career days, LinkedIn, Facebook, kariyer.net), without compromising the principles of a systematic and objective approach. In order to help new recruits adapt to the company processes and corporate culture, they are provided with support through orientation programs.

Industrial Relations

For Akçansa, the right to association is a basic right. Akçansa employees therefore have the right to take part in unions and to exercise their rights. Accordingly, all plant workers at Akçansa cement plants are union members. Within this scope, the Cement, Ceramic, Soil and Glass Industry Workers' Union of Turkey (Çimse-İş) and the Union of Cement Industry Employers (ÇEİS) signed the group collective bargaining agreements for the January 1, 2013 to January 1, 2015 period, as of March 25, 2013.

Work Life

Our priority is to provide our employees with the work environment and conditions they deserve. We also strive to support gender equality at workplace, to increase communication and synergy between our employees, and to strengthen corporate culture.

Akçansa's improvements to working conditions are not limited to the workplace. The company also builds social areas (i.e. beach facilities, clubhouses) for our employees to use with their families. Various motivation and discussion meetings ("Communication Meetings," "We are Listening to You") are held to bring together our employees with senior management. Sports, cultural and social activities ("Underwater Club," "Dragon Boat," "Culture Trips," "Work Safe + Live Healthy / Eurasia Marathon") are held as requested. We place the highest priority on providing a fair and equal workplace environment for our employees. In keeping with this objective, under auspices of the Ministry of Family and Social Policies we took part in the World Economic Forum's (WEF) 2013 Equality at Work Platform. We signed the Declaration of Equality at Work and pledged to voluntarily comply with the principles aimed at eliminating gender-based discrimination in the workplace. We also pledged to lead the effort in spreading these principles, to develop reliable systems, and to transparently report developments.

We initiated the "Mom, Give Me Milk" project at the Ladik Plant in order to support the work-life balance of working mothers who are breastfeeding. The other project was the "Ladik Glass Workshop," which made it possible for us to train Ladik plant employees and homemakers in order to include them in production operations, thereby creating economic value out of their labor.

Employee Development

In line with its vision of "growth beyond borders," Akçansa has adopted the principle of providing training and development opportunities for all employees. Development areas are determined and opportunities are offered by examining all approaches that support administrative, personal, professional and social development. Individual training and development needs are tracked through personal development plans. These are created according to the responsibilities personnel take on or will take on. Training programs not only provide professional development, but also have a positive impact on employee motivation by creating new areas of interaction. In addition to training programs organized at Akçansa, our employees can also take advantage of training (HeidelbergCement e-learning training, Sabancı University) offered by our partners. Furthermore, during the comprehensive orientation program new recruits are given basic training, such as ethical rules or occupational health and safety (OHAS).

According to need, different continuous development programs (coaching, mentoring, development centers and 360 degree assessment) are developed and development plans created.

Akçansa encourages its employees and provides financial support so that they can improve their language skills, or continue on with their academic education (postgraduate studies, foreign language studies) as required by their position or future career development needs.

Performance Management

The performance management system produces significant benefits in terms of human resource management. It encompasses a process in which company objectives are integrated with those of individuals and teams. It addresses personal competencies by effectively managing these throughout the year.

Akçansa performance management process begins by establishing personal and corporate objectives at the outset of the year, with the participation of both employees and managers. The level of accomplishment in meeting the objectives is assessed at the end of the year.

In 2013, the Mozaik application was initiated by strengthening system infrastructure. This was done in order to improve the effectiveness and productivity of the performance assessment process, in which our management staff are included. This also supported the integration of HR practices.

The system has created an environment which meets the different expectations of our employees with its user-friendly structure. Thanks to cloud technology, its modules can be reached from anywhere, ending the need to remain in the office. Mozaik is a pioneering application, and it was named Best Cloud Computing Application of the Year at the 2013 SAP Quality Awards.

Talent Management

In keeping with the company's mid and long-term strategic objectives and needs, Akçansa's organizational structure is periodically examined. Talent management comprises a large part of this.

Special attention is given to the training and development of talent groups by supporting the talent management operations with the company's human resources key performance indicators (KPIs). A variety of programs are carried out to impact the development of the leaders of both today and the future, and to assist the employees in their new management roles.

Talent management emphasises not only behavioral but also technical development. A diverse range of programs are organized each year on selected priority areas. Furthermore, development programs are supported and implemented through mentoring practices, rotations, and the opportunity to take part in different projects.

Rewarding, Commendation and Recognition

Akçansa employees receive a basic salary within the scope of the remuneration policy, in line with levels of responsibility and scope of duty. Total employee income packages may vary depending on the bonuses earned for individual performance or on the seniority-related incentive bonuses; however, according to the remuneration policy, absolutely no discrimination is made based on gender or other personal characteristics.To remain competitive with its remuneration policy, Akçansa carries out benchmarking studies based on internationally accepted job evaluation methodologies and peer company practices. Our remuneration policy has been established in a fair and competitive manner to reward high performance, and in line with the general salary levels in the country. High-performing employees and teams are rewarded with commendations and recognitions such as "An Evening from Akçansa," "Special Awards for Performance," "Executive Committee Special Commendation Awards," "OHAS Pioneers of the Year Awards," "Team Awards," "Suggestion Stars of the Year Awards" and "Seniority Plaques."

mozaik | Kariyer ÇINARI

Corporate Governance Principles Compliance Report for the January 1, 2013 - December 31, 2013 period

INDEPENDENT AUDITOR'S REPORT
OF THE ANNUAL REPORT

To the Board of Directors of Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi A.Ş.,

1.As part of our independent audit, we have completed the compliance assessment of the financial information, which has been provided in the December 31, 2013 Annual Report of Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi ("Company"), and the assessments of the Board of Directors with the independently audited financial statements with the same date.

2. It is the responsibility of the Company management to ensure preparation of the annual report, which is the subject of our auditors' report, in accordance with Ministry of Customs and Trade regulation No. 28395, on the Determination of Minimum Contents of Companies' Annual Report.

3. As the independent audit company, our responsibility is to present our views concerning the compliance of the financial information, which has been provided in the December 31, 2013 Annual Report, with the independently audited financial statements, which are the subject of the Independent Auditor's Report dated February 28, 2014.

Our assessment has been completed pursuant to Turkish Commercial Code ("TCC") No. 6102. These regulations stipulate planning and implementation so as to ensure reasonable assurance regarding whether any critical errors exists in: the consistency of the financial information in the annual report; the independently audited financial statements; and the information obtained by the auditors during the independent audit.

We believe that our assessments form a reasonable and sufficient foundation in establishing our views.

4. In our opinion, the financial information in the annual report, as well as the assessments and disclosures of the Board of Directors, are consistent with those of the independently audited financial statements of Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi, dated December 31, 2013.

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

Ferzan Ülgen
SMMM, Partner
February 28, 2014

Istanbul, Türkiye

Corporate Governance Principles Compliance Report

1. Corporate Governance Principles Compliance Declaration

Akçansa Çimento Sanayi ve Ticaret A.Ş. complies with and implements the "Corporate Governance Principles" published by the Capital Markets Board of Turkey (CMB) in the period January 1, 2013 to December 31, 2013.

PART I - SHAREHOLDERS
2. Shareholder Relations Department

Our company has set up a unit in order to maintain communication and contact with shareholders as well as to serve them.
The department is managed by Dr. Carsten Sauerland, Assistant General Manager (Finans) and it is made up of Hüsnü Dabak, Director of Financial Affairs (0216 571 30 25, husnu.dabak@akcansa.com.tr), Ayşen Öksüzoğlu, Accounting Specialist-Stakeholder Relations (0212 866 11 69, aysen.ozgurel@akcansa.com.tr), Banu Üçer, Corporate Communication Process Manager (0216 571 30 13, banu.ucer@akcansa.com.tr) and Onur Kerem Günel, Legal Counsel (onur.gunel@akcansa.com.tr). Those concerned can also be reached through fax at 0216 571 30 31. The Investor Relations Unit handles capital increases, dividend payments to shareholders, updates on share certificate conversations 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/or commencement date of dividend distribution as well as their participation in General Meetings, save for confidential information and trade secrets, are responded to in writing, verbally or via e-mail in an accurate, complete, intelligible and interpretable manner. The company discloses its operating results on a quarterly basis. The corporate website at www.akcansa.com.tr has been launched to offer shareholders more detailed information on the company's operations more regularly, and to give them access to all company-related data.

2. Shareholder Relations Department

Upon request, regular meetings were held with all of the shareholders during the reporting period. In 2013, two roadshows, one investment convention, as well as one-on-one meetings with 55 investors and two analyst meetings took place. The company strives to fulfill its responsibilities of public disclosure and transparency as a publicly traded company. The Shareholder Relations Department is staffed with specialists who are tasked to provide information to investors regarding the company's financial information. Utmost effort is made to abide by the Turkish Commercial Code and Capital Markets legislation so as to ensure participation from the shareholders at the General Assembly Meetings. Pursuant to Provisional Article 6 of the Capital Markets Board ("Law"), which entered into effect on the Official Gazette No. 27857 dated February 25, 2011 and which was amended by Article 157 of the Law No. 6111, all stocks that have not be registered as of December 31, 2012 shall be legally transferred to the company at that date and all rights of the shareholders on these stocks shall come to an end. Pursuant to the Law, shareholders who have not yet registered their shares as of December 31, 2012 shall lose all rights arising from these stocks if they fail to complete registration by this date.

3. Exercising Shareholders' Right to Obtain Information

According to their preferences, shareholders upon request are provided information in writing or verbally. As per the Capital Markets legislation, announcements in relation to shareholders' exercise of their rights are made through the Pubic Disclosure Platform in the Turkish Trade Registry Gazette and in a national newspaper as well as the highest-circulating newspaper published in the city where the company's head office is located. Announcements are also posted at www.akcansa.com.tr. Pursuant to CMB communiques, the company shall be subject to auditing by an independent audit company. Appointment of a special auditor has been be stipulated as a right in the Articles of Association. As of 31 December 2013, no request has been made for the appointment of a special auditor. The Audit Committee submits the independent audit reports to the Board of Directors for approval. Reports that are approved by the Board of Directors are announce to the public through the Public Disclosure Platform. Reports that have been annually audited are submitted for the approval of the General Assembly and then, announced at the www.akcansa.com.tr website. According to Article 1524/1 of the Turkish Commercial Code No. 6102, an "Information Society Services" link has been created at the corporate website, pursuant to the provision that requires an area to be reserved for Information Society Services to make the legally required announcements at the website. Pursuant to Capital Market Legislation, the Audit Committee nominated by the company's Board of Directors functions in accordance with procedures. Utmost care is taken to ensure that the aforementioned rights, which are stipulated by the Corporate Governance Principles, and the fundamental rights of the shareholders, which are set forth under the Turkish Commercial Code and the Capital Market Law, are exercised. During the period, the shareholders requested information about the company's capital increases in previous periods, dividend distributions and operating results for the related period. Requested information was provided to the shareholders verbally or in writing, based on their preferences. Shareholders can also follow-up current information about the Company from the corporate website at www.akcansa.com.tr, as well as from material event disclosures published by the Public Disclosure Platform (www.kap.gov.tr) and newspaper advertisements. Up to December 31, 2013, the Shareholder Relations Department responded to 30 written requests received through nearly 75 phone calls, emails and one-on-one meetings. For this purpose, information that might be of concern to shareholders was posted on www.akcansa.com.tr throughout the required disclosure processes.

Corporate Governance Principles Compliance Declaration

4. General Assembly Information

When making the invitation for the General Assembly, the company complies with the provisions of the Turkish Commercial Code, CMB legislation and the Articles of Association. Invitation proceedings are announced in the Trade Registry Gazette three weeks prior to the General Assembly and to the publishing date of the announcement. They are announced at the corporate website and the Public Disclosure Platform. The company's share certificates are registered. Voting on the agenda is made according to the 51 percent Commercial quorum ratio pursuant to the Articles of Association of the company. The approval of the General Assembly of Shareholders is sought in important matters such as amendments to the Articles of Association, mergers, demergers, election of the Board Members and auditors, dividend distribution, release of the Board Members and Auditors from liability for their activities, and approval of the annual report. Information such as minutes of General Meetings and attendance rosters are made available on the corporate website. The Annual Report regarding the General Assembly, financial statements, dividend proposal, agenda of the General Assembly, proxy form and agenda documents are announced at the company's head office, in a high-circulation newspaper and on the corporate website at least two weeks prior to the General Assembly. Pursuant to the Corporate Governance Principles, invitations to the General Assembly are submitted for the information of the investors three weeks prior. The General Assembly took place with over 83 percent quorum at the Sabancı Center 4. Levent/ISTANBUL address on March 27, 2013. Meeting invitation was published in Dünya Newspaper's March 5, 2013 issue and in the Turkish Trade Registry Gazette's issue No. 8271, dated March 5, 2013. Documents regarding the General Assembly were submitted for the information of the shareholders at the www.akcansa.com.tr website three weeks prior. Shareholders did not put forth any agenda item suggestions requiring a written response. The agenda includes articles on providing information regarding the donations made during the period, and on setting an upper limit for donations and assistance to be made in the next fiscal period. During the 2013 General Assembly Meeting, all shareholders were given the opportunity to speak and ask questions, and the Chair of the General Assembly answered all questions without a time limitation. Minutes of the General Assembly, Attendance List and Amendments to the Articles of Association are available for the shareholders at all times at www.akcansa.com.tr.

Extraordinary General Assembly meeting was not held in the January 1, 2013 to December 31, 2013 period.
Decisions of critical importance in the Turkish Commercial Code are submitted for the approval of the shareholders at the General Assembly.

5. Voting Rights and Minority Rights

The Articles of Association does not have privileged or cumulative voting rights.

The Articles of Association does not contain any provisions offering cumulative voting rights for the current shareholding percentages and for partnership structure, as this is thought to be detrimental to the company's harmonious management structure. The matter will be addressed at the General Assembly in the event that it is regulated by the law to prevent abuse of cumulative voting right.

6. Dividend Distribution Right

The company has in place a publicly disclosed Dividend Distribution Policy. This policy covers the following:

Pursuant to CMB legislation, the Dividend Distribution Policy of the company is based on the principle of distributing at least 50 percent of the attributable profits in cash to all shareholders that have a stake in the company's paid-in capital. However, the general practice is to distribute the attributable profit in its entirety. There are no privileged shares in terms of receiving share from the profit. The General Assembly decides whether the dividends to be distributed will be given in cash and/or bonus shares. The General Assembly may authorize the Board of Directors to distribute advances on dividends, on the condition of being limited to the relevant fiscal year only. The Dividend Distribution Policy will be enforced provided that there are no negative developments in national and global economic conditions, and that the company's capital adequacy ratio is at the targeted level. The Akçansa Board of Directors is entitled to review the Dividend Distribution Policy annually in view of future projects and available funds.

This information was provided in the 2013 Annual Report as a separate section and it was presented to the shareholders prior to and during the General Assembly. The said annual report is accessible at www.akcansa.com.tr website and it is also posted within the Corporate Identity and administration information area under the Investor Center section of the website.

Article 33 sets stipulates the manner of dividend distribution as per the provisions of the Articles of Association of the company. The company's dividends are paid within the legally-prescribed periods of time.
There are no privileged shareholders in regards to dividend distribution.

7. Transfer of Shares

The Articles of Association of the company does not contain any clauses that restrict transfer of shares.

Corporate Governance Principles Compliance Declaration

PART II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy

The company has in place a Disclosure Policy that has been prepared according to the Corporate Governance Principles of the CMB. The Disclosure Policy has been announced by a Material Event Disclosure on April 29, 2013 and since then, it has been posted at www.akcansa.com.tr website. The Disclosure Policy has been developed and approved by the Board of Directors pursuant to the Corporate Governance Principles of the CMB. Monitoring, supervision and development of the Public Disclosure Policy is under the authority and responsibility of the Board of Directors that is made up of Mehmet Göçmen (Chairman of the Board of Directors), Daniel Gauthier (Vice Chairman of the Board of Directors), Ali Emir Adıgüzel (Board Member), Faruk Bilen(Board Member), Atıl Saryal (Independent Board Member), Yavuz Ermiş (Independent Board Member). Dr. Carsten Sauerland, Assistant General Manager (Finance), has been appointed to monitor and supervise every aspect of the public disclosure. Pursuant to this policy, public disclosure is made for the independently audited financial statements for the 6th and 12th months, and for the 3rd and 9th months that have not been independently audited. Consolidated reports drawn up in line with the International Financial Reporting Standards (IFRS-IAS) have been disclosed within the period stipulated by the CMB. Information related to the company are made available to the public via press bulletins, electronic mailings, text messages, interviews given to the media and news agencies, announcements posted on the website, advertising and brochures. Within the scope of the Disclosure Policy, the company provides access to public disclosures via the corporate website, as recommended by the Corporate Governance Principles of the CMB.

9. Corporate Website and its Content

The company has in place a registered website.
www.akcansa.com.tr

The site contains the topics stated in the Corporate Governance Principles.
The corporate website is also available in English.
This section has been provided for the international investors.

Under the Corporate Governance Principles, the company maintains a website accessible to all shareholders and investors at www.akcansa.com.tr
The corporate website contains material such as corporate information, products and services, management systems, financial indicators, annual reports, investment center, financial statements, disclosure policy, environmental operations, social responsibility activities and human resources policy.

The main content of the website is as follows:

- Detailed information on corporate identity
- Vision and Mission
- Information on the Board Members and the executive team
- Organization and shareholding structure of the company
- Articles of Association of the company
- Trade registry information
- Financial data
- Press releases
- Material Event Disclosures
- Date and agenda of the General Assembly, explanations of the agenda items
- Minutes of the General Assembly and the attendance list
- Sample proxy form
- Corporate Governance practices and compliance report
- Dividend distribution policy and its history, and capital increases
- Disclosure Policy
- Related party transactions report
- Remuneration Policy for the Board Members and the Executives
- Frequently Asked Questions

10. Annual Report

The company prepares the Annual Report in compliance with the scope of the Corporate Governance Principles, and in enough detail so as to allow the public to obtain complete and accurate information about the company activities.

Corporate Governance Principles Compliance Declaration

PART III - STAKEHOLDERS
11. Informing the Stakeholders

STAKEHOLDERS

PARTNERS

Stakeholders learn about company-related developments via public disclosures made in accordance with applicable legislation. Pursuant to the Istanbul Stock Exchange Communiqués and the provisions of the Turkish Commercial Code, the company announces matters such as the General Assembly and Extraordinary General Assembly meetings, capital increase and dividend distribution through: the Trade Registry Gazette; material event disclosures; and a high-circulation newspaper, within legally prescribed periods of time as per the applicable legislation. Some other means of disclosure are: press conferences, press releases, interviews given to the media and the Internet. Except for confidential data and trade secrets, information is provided simultaneously in an accurate, complete, intelligible and interpretable manner.

CUSTOMERS

The company attaches great importance to products, services and quality. Accordingly, it constantly strives to carry out activities that improve customer satisfaction. Customer satisfaction is measured by regular surveys. Customer-focused training and seminars are organized periodically. In addition, the company maintains its research and development activities.

EMPLOYEES

All practices related to the employees are carried out according to the laws governing work life.
Hiring, promotion, training and performance improvement policies, as well as various practices have been documented.
Employee performance is evaluated in face-to-face meetings based on the objectives defined at the beginning of each year, and by taking into consideration related performance criteria.

Positions are systematically evaluated by using an international job evaluation system, based on company job descriptions. The results of the system make up the basis of various HR practices and decisions. Training and development needs of employees are regularly reviewed each year and the needs are met with the planned annual training programs. A portal is available for employees, giving them access to information and documents (i.e. company objectives, policies, job descriptions, practices) that might be of concern to them.

The company maintains an open communication on occupational health and safety matters with the parties, shareholders and employees. It also develops corrective and preventive measures by taking the asking the opinions and suggestions of all employees, including visitors and the employees of the contractors. Drivers working in public are subjected to psychotechnical tests and advanced driving training, determining a limit over the legal requirements. OHSAS 18001 occupational health and safety system has been put in place. It is being successfully implemented at the plants with six-monthly inspections. Akçansa is working on building an Integrated Management System by combining Quality, Environment and Occupational Health and Safety management systems together. For the purpose of following the development of the Integrated Management System, QDMS software is used and all employers have easy access to the system (within their authority limits).

Stakeholders learn about company-related developments via public disclosures made pursuant to applicable legislation. Company employees are also provided information about meetings held in their areas of expertise and in areas of interest, as well as about seminars and training through the Internet.

12. Participation of Stakeholders in Management

Employees participate in management through periodic meetings (i.e. communication meetings, management meetings, functional meetings, discussion sessions with the General Manager), annual goal-setting, performance appraisal, development planning meetings and the suggestion system. Questionnaires are also regularly conducted to measure employee satisfaction and to receive feedback. Furthermore, the satisfaction of dealers and customers are measured at certain intervals. Accomplished teams are rewarded each year according to the Award System, which was introduced in 2008.

13. Human Resources Policy

Akçansa establishes the Human Resources strategies and priority objectives by taking into consideration the national and global economic environment, and the individual conditions specific to the cement, ready-mixed concrete and aggregate sectors, as well as the company's business goals. Akçansa attaches great importance to human resources as the key to its success. Accordingly, it gives every opportunity to its employees to achieve personal development, high performance and success. This is by providing training, performance appraisal, career development, organizational and HR achievement plans, a compensation system and fringe benefits.

Corporate Governance Principles Compliance Declaration

13. Human Resources Policy (continued)

With the objective of securing long-term success for the company, we strive to: manage company culture, to determine employee expectations and the areas in the organization that are in need of improvement. We also strive to develop action plans in this respect, to make constant development possible and consequently strengthen the company's objectives and performance, for the purpose of realizing the company vision of implementing modern Human Resources practices with the cooperation of our partners, Sabancı Holding and HeidelbergCement; creating an environment which makes employee satisfaction and efficiency possible; maintaining efforts to improve the quality of human resources and become a preferred employer with the positive image we have created; becoming an exemplary company with the best human resources practices; attracting and keeping the most qualified manpower in the industry by putting in place the modern practices in human resources; creating personal and professional training and development opportunities for the employees; adopting a fair salary system that rewards high performance and that is in line with the countrywide wage levels; and bring employees together under the identity of being an "Akçansa member" with trust and respect each other and with the ability to be analytical, customer-centric, open to team work and collaboration, and with an inclination for effective communication with a strong desire to succeed and share achievements.

Employer Union Representative also act employee representative in the Collective Bargaining Agreement that was signed for the January 1, 2013 to December 31, 2015 period to manage relations with the employees in the company. There has been no discrimination complaints from the employees in this period or in the period prior to these dates

14. Ethical Rules and Social Responsibility

The ethical principles embraced by Sabancı Holding, one of our partners, have also been adopted by our company. The employees are informed about the rules through the booklets and educational training. Current feedback is obtained from the employees through the web-based "Sa-Etik Year-End Application."
Ethical rules are disclosed to the public by being published in the following sections of the corporate website.

http://www.akcansa.com.tr/insan-kaynaklari/is-etigi-kurallarimiz
http://www.akcansa.com.tr/yatirimci-merkezi

The company aspires to achieve compliance with international standards for a cleaner environment. As stipulated in our ISO 14001 environmental policy, we aspire to implement a waste management program; in order to achieve this, to sort waste and recycle that which can be recycled; to use licensed disposal facilities to dispose waste that needs to be disposed of and thereby reduce the amount of waste; to obtain the necessary licenses and permits to burn in our facilities the waste that can be burned; to examine the harm caused to air, water and soil by waste and to take the necessary preventive measures, and in this way, to minimize the harm; to comply with legal obligations and to provide the necessary infrastructure and resources for this purpose; to make sure that the contractors we work with also implement the necessary sanctions; and to provide training in this subject. Achieving sustainable development while protecting the environment and raising environmental awareness is one of Akçansa's primary goals. Akçansa addresses the environmental aspect in practice at all of its facilities. There exist lawsuits that have been filed against the company in relation to environmental issues.

The second sustainability report was published in 2012 with the inclusion of the work and performance results for the period between 2010-2011.
Akçansa sustainability report is planned for publication every two years and the sustainability report for the 2012-2013 period is set to be published in 2014.
Akçansa's Büyükçekmece and Çanakkale cement plants transform various waste into environmental and economic value. They are the first plants granted with Ministry of Environment and Forestry's R134- 001 and R117- 001 licenses, authorizing the use of alternative fuel. Incineration of waste at cement plants serves to conserve natural resources and significantly reduce carbon dioxide emissions, while producing a solution for the highly challenging issue of waste disposal.

Concrete waste, which is found in the facilities and inside the vehicles in the recycling systems that are built in our ready-mix facilities, is separated as aggregate and water to be re-used in production. In this way, natural resources are protected and production operations continue through an environmentally-conscious system without producing waste. As the first company in the cement sector to process waste in accordance with all waste disposal legal requirements, and the first company to make investments in this field, Akçansa created the "CO2 Single Carbon, Double Oxygen" project. The project's slogan is "real value can be produced by both waste collection and proper waste disposal." "Send your waste to us!" This is the project's appeal to all companies, local public and private institutions, and municipalities that produce waste in the cities where we operate. The objective of the project is to help these companies in reducing their carbon footprint through the healthy and safe disposal of waste. This project won us an award from the Corporate Social Responsibility Association of Turkey (CSR Turkey) in the Sustainable Waste Management and Communication field.

Akçansa believes children are our future and they need to be educated regarding the environment at an early age. Therefore, it has launched the "Surrounded by the Environment" initiative with the purpose of educating children on environment issues.

Corporate Governance Principles Compliance Declaration

14. Ethical Rules and Social Responsibility (continued)

Akçansa environmental engineers educate students on issues of global warming, ways to help preserve the Earth, proper waste disposal, measures against pollution, as well as Akçansa's environmentally-friendly industrial practices. As Turkey's leading construction materials company, Akçansa spearheaded the industry by publishing the first ever Sustainability Report. The report contains the developments in the 2007-2009 period. Within the scope of our sustainability operations, it has been prepared at "B" level, pursuant to the Global Reporting Initiative's (GRI) G4 Reporting Principles - a reporting standard used by pioneering global companies. This first sustainability report has earned Akçansa the title as the first ever company to achieve approval at this level. We are leading the industry as the first cement company to participate in the Carbon Disclosure Project (CDP), which is being carried out as a collaboration of Akbank and Sabancı University. Being involved in such a project presents a significant opportunity for us to share our performance and objectives regarding carbon management.
Our plants operate with a view to enhance the quality of community service offered by nearby municipalities, schools and public institutions and to provide financial support. Thanks to the donations it makes to the H. Ö. Sabancı Foundation (as part of its social responsibility awareness), the company makes an impact on both the country's social and cultural development as well as its immediate circle.

PART IV - BOARD OF DIRECTORS
15. Structure and Formation of the Board of Directors

Not all Board of Directors members are executive members. Work distribution of Board Members is arranged as follows: The Annual Report provides personal and background information of the Board Members. Pursuant to CMB communiqués on Determination and Implementation of Corporate Governance Principles, the Corporate Governance Committee has been established; according to the provisions of the communiqué. It has been resolve to appoint Independent Board Members Atıl SARYAL as the Chairman of the Corporate Governance Committee and Yavuz Ermiş as the Corporate Governance Committee Member, and to empower the Committee to also carry out the duties of the Nomination and the Remuneration committees.

At the March 25, 2013 General Assembly, Article 25 of the Law on the Execution and Implementation Method of the Turkish Commercial Code No. 6103 was deliberated. This law stipulates that natural persons, who have been elected as the representative of a legal person in the board of directors of a joint-stock company, shall resign within three months after Turkish Commercial Code No. 6103 has gone into effect, and that natural persons themselves, or someone else shall be elected to replace them.

Accordingly on September 21, 2012 the Board of Directors resolved

to accept the resignations and then, re-elect as the nominees of the shareholders Faruk BİLEN as the representative of HACI ÖMER SABANCI HOLDİNG ANONİM ŞİRKETİ and Daniel H.J. GAUTHIER, who has been elected as a Board Member, as the representative of HEIDELBERGCEMENT MEDITERRANEAN BASIN HOLDINGS S.L.

On September 24, 2012 the Board of Directors also resolved

to accept the resignations and then, re-elect as the nominees of the shareholders Mehmet GÖÇMEN, who has been elected as a Board Member, as the representative of HACI ÖMER SABANCI HOLDİNG ANONİM ŞİRKETİ and Ali Emir ADIGÜZEL, who has been elected as a Board Member, as the representative of, HEIDELBERGCEMENT MEDITERRANEAN BASIN HOLDINGS S.L.

It was resolved to elect Mehmet GÖÇMEN and Faruk BİLEN on behalf of the
HACI ÖMER SABANCI HOLDING A.Ş. shareholders;

Daniel H.J. GAUTHIER and Ali Emir ADIGÜZEL on behalf of the
HEIDELBERGCEMENT MEDITERRANEAN BASIN HOLDINGS, S.L. shareholders

And,
Atıl SARYAL and Yavuz ERMİŞ as Independent Members.

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

The General Assembly has resolved to allow the Board Member to perform transactions pursuant to articles 395 and 396 of the Turkish Commercial Code.

Corporate Governance Principles Compliance Declaration

16. Operating Principles of the Board of Directors

During the January 1, 2013 to December 31, 2013 period, the Board of Directors of the company met 67 times, of which four were conducted face-to-face and 63 were made with written approval in keeping with the Turkish Commercial Code and the provisions of the Articles of Association. The Board of Directors' agenda is determined as a result of the meetings held between the Chairman of the Board of Directors and the current Board Member and the General Manager. Pre-notification Committee prepares a document file containing the agenda and its items a week before to submit to the Board Members so that they can perform the necessary reviews and work.

During the meetings that were held between January 1, 2013-December 31, 2013, there were no opposing views against the resolutions taken by the Board of Directors.

Members who did not have a reason to be excused actively participated in the Board of Directors' Meetings. No questions were recorded in the minutes because no questions were posed by the Board members. Board members have not been granted weighted voting rights and/or veto rights on related decisions.

17. The Number, Structure and Independence of the Committees Establish at the Board of Directors

As of the January 1, 2013 to December 31, 2013 period, an Audit Committee is place reporting to the Board of Directors. Following the April 24, 2012 Ordinary General Assembly, as per the Board of Directors' resolution No. 837 dated April 24, 2012, Independent Board Members Yavuz Ermiş and Atıl Saryal were appointed as the Chairman and the Member of the Audit Committee respectively. As per the Board of Directors' resolution No. 838 dated April 24, 2012 and pursuant to the CMB Communiqués, it was decided to establish a Corporate Governance Committee and to appoint Independent Board Members Atıl Saryal and Yavuz Ermiş as the Chairman and the Member of the Committee respectively. It was resolved to have this committee carry out the duties of the Nomination Committee and the Remuneration Committee as well. Pursuant Communiqué Serial: IV No: 63 on amending the Communiqué Serial: IV No: 56 on the Determination and Implementation of Corporate Governance Principles, as per the Board of Directors' resolution No. 885 dated March 27, 2013, the Early Detection of Risk Committee was established, and Atıl SARYAL and Yavuz Ermiş were appointed as the Chairman and the Member of the Committee.

The Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee perform their duties according to the internal regulations. There were no conflicts of interest in the Audit Committee during the January 1, 2013 to December 31, 2013 period due to current member structures. The Audit Committee convenes at least four times a year with at least three-month intervals; it records the meeting minutes and submits them to the Board of Directors. The Corporate Governance Committee convenes at least four times a year with at least three-month intervals; it records the meeting minutes and submits them to the Board of Directors. Early Detection of Risk Committee convenes at least six times a year with two-month intervals. The reports containing information and results about the committee's work are approved, and then submitted to the Board of Directors of the company. Current operation principles of the committees are available on the corporate website.

Prior to Board of Directors' meetings, the Pre-notification Committee prepares detailed presentations, performing the necessary in depth studies regarding the matters that will be submitted for the approval of the Board of Directors.
Internal Audit Manager submits Corporate Governance Principles-related reports to the Audit Committee Members.

18. Internal Control and Risk Management Mechanism

Pursuant to CMB communiqués on Determination and Implementation of Corporate Governance Principles, the Corporate Governance Committtee has been established; according to the provisions of the communiqué, it has been resolve to appoint Independent Board Members Atıl SARYAL as the Chairman of the Corporate Governance Committtee, Yavuz Ermiş as the Corporate Governance Committtee Member, and to empower the Committee to also carry out the duties of the Nomination and the Remuneration committees. An Internal Audit Manager and an Internal Audit Specialist are appointed at the company.

Objectives and principles behind their activities are clearly described below. With the creation of the Audit Committee, they effectively fulfill the tasks assigned thereto by the Board of Directors within the framework of the Audit Committee Bylaws. Risk management is based on describing and monitoring all potential risks to which our company may be exposed.

The company and our executives have 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; 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. Furthermore, emphasis is put on investments such as the company back-up system.

Corporate Governance Principles Compliance Declaration

18. Internal Control and Risk Management Mechanism (continued)
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. The Early Detection of Risk Committee was established on March 27, 2013. Atıl SARYAL and Yavuz Ermiş serve as the Chairman and the Member of the Early Detection of Risk Committee respectively.

19. Strategic Objectives of the Company
VISION

To achieve sustainable growth beyond all borders as the construction materials industry's most trusted company, with the most preferred business model.

MISSION

With our culture of dedication for social, environmental, legal and ethical values, TO BECOME A PIONEERING CONSTRUCTION MATERIALS COMPANY THAT IMPROVES THE QUALITY OF LIFE, by creating value for our customers through innovative products, services and solutions;

for our stakeholders, through superior financial performance; and for our employees, who make up the backbone of our operations, through constant development opportunities and our business model. The Board of Directors hold discussions with the stakeholders to define the strategic objectives of the company for the next three years. The Board of Directors also approves the annual budgets that are prepared according to these strategic objectives. The Board of Directors are well informed of the implementation processes of decisions made in line with comparative presentations made to company officials during meetings. These presentations contain comparisons of the current year's budget and the actual results, as well as the comparison of the same periods of previous years, to be presented to the Board of Directors. The Board of Directors repeat this process at least four times a year.

20. Financial Rights

During the January 1, 2013 to December 31, 2013 period, the company did not lend money to any of the Board Members, nor did it issue a line of credit, extend the terms of debts or credits, or improve their conditions, issue line of credit under the name of personal loan through a third party, or give guarantees such as indemnities in their favor. At the March 27, 2013 Ordinary General Assembly, it was resolved to pay a monthly remuneration of 3,000 Turkish lira to the Board Members. During the period, Mehmet GÖÇMEN and Faruk BİLEN, who are performing as Board Members on behalf of the shareholder HACI ÖMER SABANCI HOLDİNG A.Ş., and Daniel H.J. GAUTHIER and Ali Emir ADIGÜZEL, who are performing as Board Members on behalf of the shareholder HEIDELBERGCEMENT MEDITERRANEAN BASIN HOLDINGS, S.L., waved their rights, which have arisen as of January 1, 2013 in regards to the resolution to pay a monthly remuneration of 3,000 Turkish lira to the Board Members, and and which will arise until their term ends.

The company has established a Remuneration Policy for the Board Members and Executives, and has disclosed it to the public on the corporate website.

F) Authorities and responsibilities of the Board of Directors and executives

The Articles of Association describes the Board of Directors' rights to govern and represent. The authorities and responsibilities of the managers is not explained in the Articles of Association of the company. These authorities and responsibilities are established by the Board of Directors.

Administrative and Legal Sanctions Enforced on the Company or on the Members of the Administration due to Violation of the Provisions of the Legislation

During the January 1, 2013 to December 31, 2013 period, there were no administrative or legal sanctions enforced on the company or on the members of the administration due to violation of the provisions of the legislation.

G) Prohibition on Doing Business or Competing with the Company

During the January 1, 2013 to December 31, 2013 period, Board Members did not go into any transaction with the company or engaged in any activity that constitutes competition in the same areas of activity of the company.

H) Research and Development Activities

Betonsa Technology Center collaborates with universities in areas such as training, customer service, product development, preparation for exhibitions and brochures, R&D operations, product optimization efforts, technical trips for university students, support for university studies (especially those regarding concrete), and national/international scientific publications (announcements).

Corporate Governance Principles Compliance Declaration

H) Research and Development Activities (continued)

As part of the collaboration with universities, Betonsa has provided material support for a number of postgraduate and doctorate theses at the ITU Faculty of Civil Engineering, Construction Materials Department. Betonsa Technology Center has published many national and international conference statements as a result of the joint studies it has carried out with ITU since 1996. These publications present optimum designs, especially in terms of mechanical specifications, durability and cost. They encompass activities like reaching new raw material sources under the management of Betonsa Quality and Optimization Department, and approving their usability; performing quality checks on the raw materials purchased for the facilities; determining whether they can be used in production; creating concrete recipes without compromising from quality and standards; optimizing them and developing special designs based on customer requests and needs; carrying out fresh and hardened concrete tests by obtaining samples of suitable concrete, which comply with standards, from daily-produced concretes; taking witness samples in construction inspection laboratories; resolving customer complaints regarding the quality of concrete; providing customers technical support and training on concrete; maintaining the facilities for quality and system inspections (i.e. KGS, TSE, ISO 9001) at all times; and helping strengthen the image and reputation of the company by establishing close relations with construction inspection organizations, independent laboratories, the Chamber of Construction Engineers, universities and customers.

Production for the third Bosphorus bridge stands out thanks to 100+Concrete's superior durability and strength against environmental effects. The Alternative Fuel and Raw Material Laboratory has been completed at the Büyükçekmece plant; accreditation work has also been completed and certified by Turkish accreditation agency Türkak and the Ministry of Environment. Following accreditation, service will be provided outside to gain economic benefits. Incineration tests have begin in our Büyükçekmece plane on dried purification sludge produced by the ISKI Ataköy purification plant. A waste acceptance agreement will be made according to the results.

For the first time, BSI 4027 compliant sulphate resistant cement was produced and exported to our customer. The Çanakkale plant meets special quality demands from export customers for clinker and cement products. Upon customer request, CEM I 52.5 R cement product was initiated and certificate was obtained at the Büyükçekmece plant. All our plants have began performing tests for CEM II/A 42.5 cement in quality which is equal to that of CEM I 42.5 and which can meet the needs of ready-mix concrete facilities. The Çanakkale plant has begun laboratory and industrial tests by receiving consulting support with the objective of special chemical additive production. The Ladik plant has produced and delivered low hydration temperature CEM V/A 32.5 cement to be used in dam constructions. Also, a cement cooling facility, which reduces the temperature of delivered cement to below 55 C°, has been built. It has begun operations for the same construction site.

I) Amendments made to the Articles of Association during the period and the reasons

Amendments were made to the Articles of Association of the Company during the January 1, 2013 to December 31, 2013 period.

Necessary authorizations have been obtained from the Capital Markets Board with No. 29833736-110.03.02-514 dated March 6, 2013 and from the Ministry of Customs and Trade, General Directorate of Domestic Trade with No. 67300147/431.02-3907- 289707-2608.1582 dated March 8, 2013 in regards to making amendments to the Articles of Association and to ensure compliance with the related articles. They were then submitted at the March 27, 2013 Ordinary General Assembly so as to amend articles, 1,2, 3, 4, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 39 and 40 of the Current Articles of Association of the company to make additions to the Objectives and Scope of Business of the company and to be able to carry out Environmental and Quality Laboratory services; to cancel articles 12 and 38; and to add Article 29, as well as to ensure compliance pursuant to the Turkish Commercial Code No. 6102; to the provisions of the Law No. 6102 on the Execution and Implementation Method of the Turkish Commercial Code; to the provisions of the Law No. 6335 on Amending the Turkish Commercial Code and the Execution and Implementation Method of the Turkish Commercial Code; and Capital Markets Board Communiqués.

J) Quality and amount of issued capital market instruments, if applicable

None.

K) Area of business of the company and its position in the market

Akçansa is the most prominent player in Turkey's cement sector. With this leadership comes the responsibility of moving both the industry and its reputation forward.

As a leading company, Akçansa deems itself responsible for increasing the values created for society and its stakeholders, and for providing sustainable growth. Akçansa strives to achieve sustainable growth and bold business targets with meticulous planning in operations.

Corporate Governance Principles Compliance Declaration

K) Area of business of the company and its position in the market (continued)

The company maintains transparent, open and constant communication with all of its social stakeholders both in business practices and also in social responsibility operations. It boasts of being a reputable organization by transforming its operations into communication projects that add value.

Akçansa enjoys strong and sound relations with its social stakeholders, and it aspires improve them even further.
The company makes the biggest investment on the society and on its social stakeholders. What it gets in return is a positive reputation.

Giving assistance to the regions where it operates, making a contribution to growth with its plants and facilities and developing public projects in areas such as sports, education and culture are some of the ways for the company to demonstrate its determination to create social value.

Akçansa has fully accepted and adopted the principles of sustainable development and performance culture.
The company solidifies its leadership in the industry by combining competitiveness, financial performance and innovation capability. This includes the use of alternative fuels and raw materials acquired from special products, with its respect for the environment, social responsibility projects and pioneering practices in the human resources field.

As part of its social responsibility commitments, Akçansa uses its resources to promote culture, arts, education, sports and the environment. This is while utilizing the country's natural resources to make a contribution to the economy through employment, production and exports, and industrial investments.
Akçansa applies very high standards in all of its processes - from using alternative fuel and raw materials to displaying sensitivity in protecting the environment, as well as in work safety and ethics.

Accredited organizations perform regular measurements each year to inspect compliance with all legal requirements in regards to all filters in the plants, as well as dust and gas emissions in the chimneys.
Also, at three-month intervals, measurements are made and reported to the Ministry of Environment and Forestry in regards to the furnaces where waste materials are burned.
Real-time emission values of the plant are shared with the public via the screen at the entrance of the Büyükçekmece Plant.

Akçansa Büyükçekmece plant is the first factory to have build specially designed waste feeding systems, which are able to feed both waste oils and tires automatically. The plant is increasingly continues to use alternative fuels by burning contaminated waste and other similar waste.

The laboratory began operations in the Akçansa Büyükçekmece plant at the start of 2008. This required the purchase of the necessary equipment to build an alternative fuel and raw material laboratory, in which analyses can be performed as stipulated by the law and regulations within the scope of waste management.
The plant also houses an R&D department that provide services for all cement production operations of the company.

As part of the collaboration with universities, Betonsa has provided material support for a number of postgraduate and doctorate theses at the ITU Faculty of Civil Engineering, Construction Materials Department.

As part of the R&D operations, Betonsa Technology Center and ITU has gone into collaboration to perform studies with significant results, which have been published in national and international scientific publications.

Betonsa continues to organize periodic training programs for the customers, construction companies, concrete component producers, construction engineers, inspection companies, engineers and technical staff from local or central authority, and to university students.
Training subjects include concrete technology and its durability, as well as the importance of maintenance and curing.
Additionally, information on current issues such as concreting techniques in cold and hot weather conditions are shared.

L) Investment related developments, and status and level of using incentives, if any.

The Company possesses an investment incentive certificate, as of December 31, 2013.
As of December 31, total consolidated investment expenditures were 88,486,562 Turkish lira.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Declaration

M) Production and the capacity

Our plants and facilities work with the following capacities.

FACILITY CAPACITIES (tons/year)	Cement Production Capacity	Clinker Production Capacity	Operational Capacity
Büyükçekmece	2.600.000	1.943.000	-
Çanakkale	5.500.000	4.450.000	-
Ladik	1.014.000	650.000	-
Ambarlı	-	-	746.000
Aliağa	-	-	225.000
Yalova	-	-	300.000
Yarımca	-	-	700.000
Hopa	-	-	120.000
Samsun	-	-	120.000
Karçimsa	200.000	-	-

N) Information on Operations

In December 2013, consolidated domestic sales revenue rose to 1.066 billion Turkish lira, showing a 23 percent increase year-on-year. While consolidated international sales revenue dropped 20 percent to 169.6 million Turkish lira. The revenue was affected positively thanks to the increase in domestic demand and sales prices compared to last year.

O) Financial ratios (*)

Liquidity Ratios		December 31, 2013
Current Ratio	Current Assets/Short Term Foreign Liabilities	1,26
Acid Test Ratio	(Current Assets-Stocks/Short Term Foreign Liabilities)	0,95
Stocks/Temporary Investment	Stocks/Current Assets (Except Cash and Hb)-Short Term Foreign Liabilities	0,24
Working Capital	Liabilities (excluding loans)	231.212.590
Financial Structure Ratios		
Financial Leverage	(Short Term + Long Term Foreign Liabilities)/Assets	0,33
Fixed Assets/Equity		1,01
Financial Liabilities/Equity		0,18
Net Financial Position	Cash Assets-Financial Liabilities	(163.469.778)
Profitability Ratios		
Asset Turnover	Net Sales/Total Assets	0,81
Gross Profit Margin	Gross Sales Margin/Net Sales	0,22
Return On Investment	Net Profit/Total Assets	0,11
Operating Income/Sales Revenue		0,16
Net Earnings per Share		0,82

Corporate Governance Principles Compliance Declaration

O) Financial ratios (*) (continued)

Cash Assets	15.833.231
Financial Liabilities	179.303.009
Net Financial Position	163.469.778
Commercial Receivables	326.582.606
Other Receivables and Other Current Assets	19.228.373
Inventories	117.073.000
Financial Payables	(192.717.127)
Other Liabilities and Other Obligations	(38.954.262)
Net Working Capital	231.212.590

(*) Obtained from consolidated financial table data.

P) Measures that are considered to improve the financial structure of the business

When necessary and depending on the market conditions, Akçansa maintains operations to strengthen the business capital, continuously improve its financial structure, balance foreign currency based cash inflows and outflows, support sound financial abilities and hedging activities according to the company procedures.

R) Changes in the executive team, and names, last names and professional experience of the officers currently serving

Hayrullah Hakan Gürdal / General Manager

Gürdal was born in 1968. After receiving his bachelor's degree in Mechanical Engineering from Yıldız Technical University, he also received a master's degree in International Business Administration from Istanbul University. Gürdal began working at Çanakkale Çimento in 1992. He was appointed as the Strategy and Business Development Director at Akçansa in 1996 and as the Assistant General Manager in Charge of Trading in 1997. Gürdal was appointed as the Akçansa General Manager on August 1, 2008.

Dr. Carsten Sauerland, Assistant General Manager (Finance)

Dr. Carsten Sauerland was born in 1978. He received his bachelor's degrees in Business Administration at universities in Manheim, Germany and Barcelona, Spain. He completed his doctorate in 2007. He began his professional career as a consultant at an international tax consultancy in Frankfurt. He joined HeidelbergCement in 2010 as the Assistant CFO of the group.

Cem May / Assistant General Manager - Cement Sales and Marketing. He resigned his post as of July 5, 2013.

May was born in Ayvalık in 1963. He received his bachelor's degree in Mechanical Engineering from Yıldız University. He entered the cement sector at Çanakkale Çimento in 1991. Before being appointed as the Assistant General Manager in Charge of Cement Sales and Marketing in July 2005, he served as the Akçansa Çimento Aegean Region Sales Manager in 1996, and the Northern Marmara Region Sales Manager in 2003 respectively. He resigned his post on July 5, 2013.

Umut Zenar / Assistant General Manager - Cement Sales and Marketing. He was appointed on July 5, 2013.

Zenar was born in 1980. He holds a bachelor's degree in International Relations from Boğaziçi University's Faculty of Economics and Administrative Sciences, and an Executive MBA, also from Boğaziçi University. Zenar began his professional career as a Business Development Specialist at Zorlu Energy Group in 2003, joining Akçansa some two years later. Between 2004 and 2008 he held the positions of Sales Specialist, and Marketing & Sales Planning Executive in the Cement Sales and Marketing Department. He has worked as the Strategic Business Development and Marketing Manager since June 1, 2009.

Cenk Eren / Assistant General Manager - Ready-Mixed Concrete and Aggregate 15 Ocak 2014 tarihi itibariyle görevinden ayrılmıştır.

Eren was born in Istanbul in 1969. He received his bachelor's degree in Mechanical Engineering from Boğaziçi University. He began his professional career at Akçimento in 1993. He was appointed as the Strategy and Development Specialist at Akçansa in 1996 and as the Sales and Planning Manager in the Cement Sales Department in 1998. After serving as the Western Marmara Region Ready-Mixed Concrete District Manager between 2002 and 2007, Eren was appointed as the Assistant General Manager in Charge of Purchasing and Logistics in September 2007. He has performed his duties as the Assistant General Manager in Charge of Ready-Mixed Concrete and Aggregate since August 1, 2008. He resigned his post on January 15, 2014.

Corporate Governance Principles Compliance Declaration

R) Changes in the executive team, and names, last names and professional experience of the officers currently serving (continued)

Ergun Hepvar / Assistant General Manager - Purchasing and Logistics. He resigned his post as of June 28, 2013.

Hepvar was born in Ankara in 1971. He received his bachelor's degree in Computer Engineering from METU in 1992 and his master's degree in Business Administration from the Haas School of Business, University of California Berkeley in 1999. After beginning his professional career in 1992 as an Information Systems Analyst at Lever Temizlik Maddeleri A.Ş., a Unilever group company, he built the Promotional Materials Purchasing Department and then, served as the Packaging Materials Purchasing Materials Manager at Elida Faberge, another group company. His consultancy career started when he took on the position of Senior Consultant at the Supply Chain Strategy Consultancy Department in the San Francisco office of Ernst & Young, where he had gone to complete his postgraduate studies in 1997. He went on to serve as an Executive at the Supply Chain Strategy Department of Boston-based C-bridge Technologies company. He performed as the Global Program Director at the Order and Stock Management Department of the Apple electronics company, managing global projects on supporting orders with current stocks. Hepvar returned to Turkey in 2003 and took on duties as the Assistant General in Charge of Technology and Processes at TNT Lojistik (Ceva Lojistik as it is called now), and served as a Board Member. In 2005 he joined Sabancı Holding as the Chief Information Officer and played a role in the restructuring of the Information Technologies function at Sabancı Group, reporting to the CEO and the Group Presidents. He resigned his post on June 28, 2013.

Ozan ERİNÇKAN / Assistant General Manager - Purchasing and Logistics. He was appointed on December 16, 2013.

Erinçkan was born in Izmir on November 28, 1979. He received his bachelor's degree in Electrical and Electronics Engineering from Bilkent University, and in 2005 obtained his master's degree in Business Administration from the same university. Since 2002, he has worked as an R&D engineer at Georgia Centers for Advanced Telecommunication Technology, Research Assistant at Bilkent University, and at Sabancı Holding A.Ş. as Strategy and Business Development Specialist, Corporate Strategy and Planning Specialist, Corporate Business Development Specialist, and Corporate Business Development Manager respectively. Since July 7, 2011, he has served at Akçansa as AFR & Business Development Manager, as well as Energy, Fuel Procurement and Business Development Manager.

Nils Arvid Viktor Gustafsson Stjernberg / Assistant General Manager - Businesses

Stjernberg was born in 1968. He received his bachelor's degree in Mechanical Engineering from the Royal Institute of Technology, Stockholm, in 1995 and joined HeidelbergCement/Cementa as a Management Trainee in the same year. He worked in various technical and production positions in the Northern Europe organization. Stjernberg served as the Skovde Plant Manager in Sweden. He was appointed as the Assistant General Manager in Charge of Businesses on November 1, 2010.

Hakan Timur / Assistant General Manager - İnsan kaynakları

Hakan Timur was born in Istanbul in 1973. He received his bachelor's degree in Economics from Istanbul University's Faculty of Economics in 1999. He began his professional career in 1996 at Çukurova İnşaat and continued on to work at Sabancı Holding from 1997 to 2011. Between 1997 and 2004 he served at Marsa as HR Specialist, HR Supervisor, HR Manager and finally as the HR Group Manager. After working from 2007 to 2009 as the Human Resources Manager of the Holding at Sabancı Holding Human Resources Group Directorate, he was appointed in 2009 as the Global HR Director at Kordsa Global, holding this position until 2011. He has subsequently founded his own consultancy company, providing consultancy services on various human resources processes.

Ali Kipri / Çanakkale Plant Manager

Kipri was born in Adana in 1967. He received his bachelor's degree in Mechanical Engineering from Middle East Technical University (METU). In 1995 he completed a master's degree in International Business Administration from Istanbul University's Faculty of Business Administration. Kipri began his professional career in 1993 at Akçimento, serving in various positions until being appointed Plant Maintenance Manager in 2006 at Akçansa's Büyükçekmece plant. After working as Büyükçekmece Production Manager and Büyükçekmece Plant Assistant Manager, he was appointed Plant Manager at the company's Ladik plant in 2009, and then at the Çanakkale plant in 2012.

Okay KILINÇ / Büyükçekmece Plant Manager

Okay Kılınç was born in 1974. He received his bachelor's degree in Metallurgical Engineering from Istanbul Technical University in 1996 and went on to graduate from Istanbul University Faculty of Business Administration in 2009. He has served as the Production Engineer at the Karçimsa Plant, the Production Supervisor at the Büyükçekmece Clinker Plant, the Production Supervisor at the Çanakkale Clinker Plant, and the Production Manager at the Büyükçekmece Plant respectively. He was appointed as the Plant Manager at the Büyükçekmece Plant in June, 2012.

Alican KARLIDAĞ / Ladik Plant Manager

Karlıdağ was born in Istanbul in 1960. He received his bachelor's degree in Mechanical Engineering from Istanbul Technical University. He worked as Plant Supervisor at Güriş Makine ve Mon. San. A.Ş. in 1985, and as the Energy and Maintenance and Repair Director at Seral Seramik between 1986 and 1993. He began his career at Akçansa in 1993 as Maintenance Supervisor (Coast) at Akçansa Çanakkale Plant, before going on to become Machine Maintenance Manager (Coast); Machine Maintenance Manager for Cement Plant; Production Manager for Cement; and Plant Manager at Cement Production Plant respectively, before being appointed as the Ladik Plant Manager in 2012.

Corporate Governance Principles Compliance Declaration

Umut Kısa/Internal Audit and Corporate Risk Manager. He resigned his post on April 30, 2013.
Kısa was born in 1977. He received his bachelor's degree in Economics from Ankara University Faculty of Political Sciences in 1999. In 2008 he received his master's degree in Business Administration from Kadir Has University. Following a three-year tenure in the Ministry of Agriculture, he worked as an auditor in the banking industry for five years before joining Akçansa in 2004, where he served as the Internal Audit Manager for two years. He then worked as the Audit Manager at Risk Services Department of Deloitte, and as the Financial Control Manager at Alstom Transport SA for the Marmaray rail transport project. Umut Kısa is a Certified Internal Auditor, Information Systems Auditor and a Certified Public Accountant. He also holds an advanced CMB license. He resigned from his post on April 30, 2013.

Dr. Barış ERGEN/Internal Audit Manager. He was appointed on May 23, 2013.
Ergen was born in 1977. In 2002 he received his bachelor's degree in Business Administration from Marmara University. He also completed a master's degree in Accounting and Auditing at Istanbul Commerce University in 2005 and a doctorate degree in Accounting and Finance at Marmara University. In 2007 Ergen began working at Akçansa as an Accounting Specialist and since this date has served as the Chief Accountant and Accounting Director.

S) Personal and labor movement, collective labor agreement practices, and rights and benefits provided to the personnel and workers:
As of 31 December 2013, the consolidated number of personnel stands at 1,125.
The Union of Cement Industry Employers (ÇEİS), of which we are a member, and the Cement, Ceramic, Soil and Glass Industry Workers' Union of Turkey (Çimse-İş) came to an agreement in their labor discussions. On March 25, 2013 officials from both parties signed the "4th Meeting Minutes of the Collective Bargaining Agreement."
Accordingly;

- The Group Collective Bargaining Agreement entered into effect as of January 1, 2013 is valid for three years and will be terminated on December 31, 2015.
- Salary Increase;

i. In the first year of the agreement; a 10-percent increase was made as of January 1, 2013 on the net hourly salary that was being paid on December 31, 2012 to the employees who were employed as of January 1, 2013 and whose labor agreement was in effect at the time of signing the Collective Bargaining Agreement.
ii. In the second year of the agreement; an increase, which will enter into effect as of January 1, 2014, shall be applied at a rate that will be the same as the increase that was made in the same month in the previous year, for the January 1, 2013 to December 31, 2013 period based on the Turkish Statistics Institute (TurkStat) 2003=100 Basic Annual Consumer Prices Index.
iii. In the third year of the agreement; an increase, which will enter into effect as of January 1, 2015, shall be applied at a rate that will be calculated by adding one point to the rate from the same month in the previous year for the January 1, 2014-December 31, 2014 period based on the Turkish Statistics Institute (TurkStat) 2003=100 Basic Annual Consumer Prices Index.

- A deal was made to pay 200 Turkish lira (current amount is 182.25 Turkish lira which corresponds to a 9.8 percent increase) in social assistance to the workers - who are included within the scope of this Collective Bargaining Agreement - each month during the first year of the agreement. A deal was made to apply a change in the second year of the agreement, at a rate of increase that will be the same as the increase that was made in the same month in the previous year, for the January 1, 2013 to December 31, 2013 period based on the Turkish Statistics Institute (TurkStat) 2003=100 Basic Annual Consumer Prices Index; and to apply a change in the third year of the Agreement at a rate that will be calculated by adding one point to the rate from the same month in the previous year for the January 1, 2014-December 31, 2014 period based on the Turkish Statistics Institute (TurkStat) 2003=100 Basic Annual Consumer Prices Index.
- x Workers received the salary increase differences arising from this Collective Bargaining Agreement by April 10, 2013 at the latest.

Pursuant to the collective agreement, seniority bonuses shall be paid in the months coinciding with the completion of each employee's five-year seniority term.

T) Information regarding the donations made in the year
2013 yılı 12 aylık dönemde başta eğitim kurumları olmak üzere kamu kurum ve kuruluşlarına konsolide olarak 3.207.997 TL tutarında yardım ve bağış ödemesi yapılmıştır.

Corporate Governance Principles Compliance Declaration

U) Subsidiaries, affiliates and long term securities of the company

Company	Locations of operations	Partnership structure	Shares (%)
Karçimsa San. ve Tic. A.Ş.	Turkey	Subsidiary 50.99	50,99
Çimsa Çimento San. ve Tic. A.Ş.	Turkey	Affiliate	8,98
Altaş Ambarlı Liman Tes. A.Ş.	Turkey	Affiliate	12,25
Eterpark End. Ürl. İml. Tic. İth.İhr. ve Pazl. A.Ş.	Turkey	Affiliate	8,72
Liman İşletmeleri ve Nakliyecilik San. ve Tic. A.Ş.	Turkey	Affiliate	15,00
Arpaş Ambarlı Römorkaj ve Pilotaj Tic.A.Ş.	Turkey	Affiliate	16,00

V) Information regarding company acquisition of its own shares
During the January 1, 2013 to December 31, 2013 period, the company did not acquire its own shares.

W) Information regarding the subsidiary report that was drawn up within the scope of Article 199 of the Turkish Commercial Code
Pursuant to Article 199 of the Turkish Commercial Code No. 6102 dated July 1, 2012, the Board of Directors of Akçansa Çimento Sanayi ve Ticaret A.Ş. is obligated to draw up within the first three months of the operating year, a report on the relationship between the controlling shareholder and the subsidiaries in the past year, and to include in the Annual Report the conclusion of this report. Necessary explanations made by Akçansa Çimento Sanayi ve Ticaret A.Ş., in regards to the transactions with the related parties, are included in the footnotes of the Independent Audit Report dated December 31, 2013.

Conclusion of our Commitment Report;
Pursuant to Article 199 of the Turkish Commercial Code No. 6102 dated July 1, 2012, conditions of widespread and regular product buying and selling transactions, which Akçansa goes into with Hacı Ömer Sabancı Holding A.Ş., Heidelbergcement Mediterranean Basin Holdings S.L., subsidiaries and the related organizations, have explained in relation to the market conditions by providing information on the methods and justification for the price determination. Concluded transactions are in compliance with precedents according to the stipulations regarding controlling companies in the related articles of the TCC No. 6102, and no losses have been incurred by joining the group companies. Akçansa Board of Directors' January 30, 2014 report shows that in all of the transactions that Akçansa performed in 2013 with its controlling shareholders and their subsidiaries, it has completed all required legal transactions and has taken the necessary measures within the scope of the responsibilities put on the Board of Directors as per Article 199 of the TCC No. 6102.

Consolidated Financial Statements and Independent Audit Report as of December 31, 2013

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

We have audited the accompanying consolidated statement of financial position of Akçansa Çimento Sanayi ve Ticaret A.Ş. and its Subsidiary (hereafter together referred to as "Company") as of December 31, 2013 and the related consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's Responsibility For the Financial Statements

The Company's management is responsible for the preparation and fair presentation of financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Our independent audit involves performing independent audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on the auditors' 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 Company's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design procedures that are appropriate for the circumstances in order to identify the relation between the consolidated financial statements prepared by the Company and its internal control system. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly the financial position of Akçansa Çimento Sanayi ve Ticaret A.Ş. and its Subsidiary as of December 31, 2013 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

Reports on independent auditor responsibilities arising from other regulatory requirements

In accordance with Article 402 of the Turkish Commercial Code, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

Pursuant to Article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by the management of the Company in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so, no separate report has been drawn up relating to it. On the other hand, the Company formed the mentioned committee on March 27, 2013 and it comprised of two members. The committee has met four times since its formation to the reporting date for the purposes of early identification of risks that jeopardize the existence of the Company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has submitted the relevant reports to the Board of Directors.

Other matter

The consolidated financial statements of the Company, prepared in accordance with financial reporting standards issued by the Capital Market Board, as of December 31, 2012 were audited by another audit firm whose independent auditor's report thereon dated February 15, 2013 expressed an unqualified opinion.

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

Ferzan Ülgen, SMMM
SMMM Partner

February 28, 2014
Istanbul, Turkey

Consolidated statement of financial positionas of December 31, 2013 (Currency - Turkish Lira (TL))

Assets	Notes	Current period (Audited)	Prior period (Audited)
		December 31, 2013	(Reclassified) (Note 2.3) December 31, 2012
Current assets		**478.717.210**	441.087.507
Cash and cash equivalents	6	**15.833.231**	13.651.664
Financial investments	7	**-**	-
Trade receivables	10	**326.582.606**	288.303.680
- Due from related parties	37,10	**23.858.148**	42.412.136
- Other trade receivables	10	**302.724.458**	245.891.544
Receivables from financial sector operations	12	**-**	-
Other receivables (net)	11	**1.955.926**	8.777.319
- Other receivables from related parties	37,11	**739.689**	772.624
- Other receivables from third parties	11	**1.216.237**	8.004.695
Inventories	13	**117.073.000**	120.542.052
Biological assets (net)	14	**-**	-
Prepaid expenses	26	**17.271.704**	9.803.990
Other current assets		**743**	8.802
Total		**478.717.210**	441.087.507
Assets held for sale	34	**-**	-
Non-current assets		**998.501.198**	947.481.131
Financial investments	7	**164.879.006**	137.265.842
Trade receivables	10	**-**	-
Receivables from financial sector operations	12	**-**	-
Other receivables (net)	11	**565.961**	445.678
- Other receivables from related parties	37,11	**-**	-
- Other receivables from third parties	11	**565.961**	445.678
Investments accounted by equity method	16	**-**	-
Biological assets	14	**-**	-
Investment property	17	**-**	-
Property, plant and equipment (net)	18	**665.042.156**	641.614.963
Intangible assets (net)		**164.686.488**	Total assets [illegible].754
- Goodwill (net)	20	**129.457.887**	129.457.887
- Other intangible assets (net)	19	**35.228.601**	34.561.867
Prepaid expenses	26	**2.195.581**	2.974.738
Deferred tax asset	35	**1.132.006**	1.160.156
Other non-current assets	26	**-**	-
Total assets		**1.477.218.408**	1.388.568.638

The accompanying policies and explanatory notes on pages 77 through 128 form an integral part of these consolidated financial statements.

Consolidated statement of financial positionas of December 31, 2013 (Currency - Turkish Lira (TL))

Liabilities	Notes	Current period (Audited)	Prior period (Audited)
		December 31, 2013	(Reclassified) (Note 2.3) December 31, 2012
Current liabilities		**381.051.707**	398.455.447
Financial liabilities	8, 37	**148.554.898**	188.383.974
Short term portion of long term financial liabilities	8, 37	**825.420**	35.956.519
- Payables from financial borrowings		**633.333**	35.742.607
- Payables from financial leases		**192.087**	213.912
Other financial liabilities	9	-	-
Trade payables	10	**192.717.127**	147.071.261
-Due to related parties	37,10	**9.440.885**	2.994.680
-Other trade payables	10	**183.276.242**	144.076.581
Employee benefit obligations	11	**4.625.137**	4.056.457
Other payables	11	**7.087.963**	7.156.780
-Other payables to related parties	37,10	-	596.431
-Other payables to third parties	11	**7.087.963**	6.560.349
Liabilities due to financial sector operations	12	-	-
Government incentives and grants	21	-	-
Deferred income	11	**10.528.621**	3.424.218
Income tax payable	35	**9.934.096**	7.168.817
Short-term provisions	22	**6.778.445**	5.196.962
-Provisions for short-term employee benefits		**5.649.630**	4.087.354
-Other short-term provisions		**1.128.815**	1.109.608
Other current liabilities	26	-	40.459
Total		**381.051.707**	398.455.447
Liabilities related to assets held for sale	34	-	-
Non-current liabilities		**96.061.153**	66.921.449
Financial liabilities	8,37	**29.922.691**	160.434
- Payables from financial borrowings		**29.922.691**	-
- Payables from financial leases		-	160.434
Other financial liabilities	9	-	-
Trade payables	10	-	-
Other payables	11	-	98.097
Liabilities due to financial sector operations	12	-	-
Government incentives and grants	21	-	-
Long-term provisions	22,24	**21.814.474**	23.613.714
-Provisions for long-term employee benefits	24	**19.255.775**	21.322.326
-Other long term provisions	22	**2.558.699**	2.291.388
Deferred tax liability	35	**44.323.988**	43.049.204
Other non - current liabilities	26	-	-

The accompanying policies and explanatory notes on pages 77 through 128 form an integral part of these consolidated financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated statement of financial positionas of December 31, 2013 (Currency - Turkish Lira (TL))

	Notes	Current period (Audited)	Prior period (Audited)
		December 31, 2013	(Reclassified) (Note 2.3) December 31, 2012
Equity		**1.000.105.548**	923.191.742
Equity attributable to parent	27	**987.571.519**	911.486.547
Paid-in share capital		**191.447.068**	191.447.068
Inflation adjustments to paid in capital		**233.177.582**	233.177.582
Other comprehensive income or expenses not to be reclassified to profit or loss in subsequent periods			
- Actuarial gain/loss		**359.209**	(1.773.070)
Other comprehensive income or expenses to be reclassified to profit or loss in subsequent periods			
- Revaluation reserves		**119.098.785**	93.054.472
Restricted reserves allocated from profits		**119.846.287**	102.460.672
Retained earnings		**165.755.584**	173.086.558
Net income for the year		**157.887.004**	120.033.265
Non-controlling interest	27	**12.534.029**	11.705.195
Total liabilities and equity		**1.477.218.408**	1.388.568.638

The accompanying policies and explanatory notes on pages 77 through 128 form an integral part of these consolidated financial statements.

Consolidated income statement for the year ended December 31, 2013 (Currency - Turkish Lira (TL))

	Notes	Current period (Audited)	Prior period (Audited)
		December 31, 2013	(Reclassified) (Note 2.3) December 31, 2012
Continuing operations			
Revenue	28	**1.202.224.568**	1.055.902.407
Cost of sales (-)	28	**(937.649.418)**	(850.844.377)
Gross profit from business activities		**264.575.150**	205.058.030
Revenues from financial sector operations		**-**	-
Cost of financial sector operations(-)		**-**	-
Gross profit from financial operations		**-**	-
Gross profit		**264.575.150**	205.058.030
Selling, marketing and distribution expense (-)	29,30	**(12.566.108)**	(10.830.316)
General and administrative expense (-)	29,30	**(45.227.895)**	(36.461.929)
Research and development expense (-)	29,30	**-**	-
Other operating income	31	**12.872.537**	11.091.609
Other operating expense (-)	31	**(16.334.177)**	(13.395.482)
Operating profit		**203.319.507**	155.461.912
Profit/loss from investments accounted under equity method		-	-
Income from investment activities	32	**12.408.586**	10.890.149
Loss from investment activities	32	**(602.275)**	(273.747)
Financial income	32	**7.993.255**	16.930.473
Financial expense (-)	33	**(26.172.360)**	(34.849.657)
Net income before taxes from continuing operations		**196.946.713**	148.159.130
Tax income/expense for continuing operations		**(37.533.986)**	(27.332.897)
- Tax income/(expense) for the period	35	**(38.134.875)**	(28.922.734)
- Deferred tax income/(expense)	35	**600.889**	1.589.837
Continuing operations net profit		**159.412.727**	120.826.233
Discontinuing operations			
Net profit/loss after taxes from discontinuing operations		**-**	-
Net profit		**159.412.727**	120.826.233
Attributable to			
Non-controlling interest	27	**1.525.723**	792.968
Equity holders of the parent	27	**157.887.004**	120.033.265
Earnings per share (Kr)	36	**0,825**	0,627
Earnings per share from continuing operations (Kr)	36	**0,825**	0,627
Weighted average number of shares		**19.144.706.825**	19.144.706.825

The accompanying policies and explanatory notes on pages 77 through 128 form an integral part of these consolidated financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated statement of other comprehensive income for the year ended December 31, 2013 (Currency - Turkish Lira (TL))

	Notes	Current period (Audited)	Prior period (Audited)
		January 1 – December 31, 2013	January 1 – December 31, 2012
Net profit		**159.412.727**	120.826.233
Other comprehensive income / (expense):			
Items not to be reclassified to profit or loss in subsequent periods (non-reclassified)			
Actuarial gain / (loss) arising from defined benefit plans	27	**2.665.349**	(1.498.000)
Tax regarding other comprehensive income that will not be reclassified to profit or loss			
-Deferred tax income /(expense)	36	**(533.070)**	299.461
Items to be reclassified to profit or loss in subsequent periods (classified)			
Change in revaluation reserve of financial assets	27	**27.415.065**	19.408.896
Tax regarding other comprehensive income that will be reclassified to profit or loss			
- Deferred tax income /(expense)	36	**(1.370.752)**	(970.445)
Other comprehensive income/(loss)(after tax)		**28.176.592**	17.239.912
Total comprehensive income		**187.589.319**	138.066.145
Distribution of total comprehensive income:			
Non-controlling Interest		**1.525.723**	792.968
Equity holders of the parent		**186.063.596**	137.273.177

The accompanying policies and explanatory notes on pages 77 through 128 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended December 31, 2013 (Currency - Turkish Lira (TL))

				Reclassified	Non-reclassified					
	Paid-in share capital	Inflation adjustment to paid-in share capital	Restricted reserves	Revaluation reserve	Actuarial gain/loss	Net profit for the period	Retained earnings	Parent company's equity	Non-controlling interest (Note 27)	Total shareholders' equity
Balance at January 1, 2012	**191.447.068**	**233.177.582**	**92.779.743**	**74.616.021**	**(574.531)**	**100.287.554**	**171.196.502**	**862.929.939**	**11.216.027**	**874.145.966**
Transfers	-	-	9.680.929	-	-	(100.287.554)	90.606.625	-	-	-
Dividends paid (Note 36)	-	-	-	-	-	-	(88.716.569)	(88.716.569)	(303.800)	(89.020.369)
Current period profit	-	-	-	-	-	120.033.265	-	120.033.265	792.968	120.826.233
Other comprehensive income – Net unrealized gain on financial assets (Note 7)	-	-	-	19.408.896	-	-	-	19.408.896	-	19.408.896
Other comprehensive income – actuarial loss (Note 24)	-	-	-	-	(1.498.000)	-	-	(1.498.000)	-	(1.498.000)
Tax income/(expense) related with other comprehensive income (Note 35)	-	-	-	(970.445)	299.461	-	-	(670.984)	-	(670.984)
Total other comprehensive income	**-**	**-**	**-**	**18.438.451**	**(1.198.539)**	**-**	**-**	**17.239.912**	**-**	**17.239.912**
Total comprehensive income	**-**	**-**	**-**	**18.438.451**	**(1.198.539)**	**120.033.265**	**-**	**137.273.177**	**792.968**	**138.066.145**
Balance at December 31, 2012	**191.447.068**	**233.177.582**	**102.460.672**	**93.054.472**	**(1.773.070)**	**120.033.265**	**173.086.558**	**911.486.547**	**11.705.195**	**923.191.742**
Balance at January 1, 2013	**191.447.068**	**233.177.582**	**102.460.672**	**93.054.472**	**(1.773.070)**	**120.033.265**	**173.086.558**	**911.486.547**	**11.705.195**	**923.191.742**
Transfers	-	-	17.377.898	-	-	(120.033.265)	102.655.367	-	-	-
Dividends paid (Note 36)	-	-	-	-	-	-	(109.986.341)	(109.986.341)	(696.889)	(110.683.230)
Current period profit	-	-	-	-	-	157.887.004	-	157.887.004	1.525.723	159.412.727
Increase due to share-based transactions	-	-	7.717					7.717	-	7.717
Other comprehensive income - Net unrealized gain on financial assets (Note 7)	-	-	-	27.415.065	-	-	-	27.415.065	-	27.415.065
Other comprehensive income- Actuarial gain (Note 24)	-	-	-	-	2.665.349	-	-	2.665.349	-	2.665.349
Tax income/expense related with other comprehensive income (Note 35)	-	-	-	(1.370.752)	(533.070)	-	-	(1.903.822)	-	(1.903.822)
Total other comprehensive income	**-**	**-**	**-**	**26.044.313**	**2.132.279**	**-**	**-**	**28.176.592**	**-**	**28.176.592**
Total comprehensive income	-	-	-	26.044.313	2.132.279	157.887.004	-	186.063.596	1.525.723	187.589.319
Balance at December 31, 2013	**191.447.068**	**233.177.582**	**119.846.287**	**119.098.785**	**359.209**	**157.887.004**	**165.755.584**	**987.571.519**	**12.534.029**	**1.000.105.548**

The accompanying policies and explanatory notes on pages 77 through 128 form an integral part of these consolidated financial statements.

Consolidated statement of cahs flows for the year ended December 31, 2013 (Currency - Turkish Lira (TL))

	Notes	Current period (Audited), December 31, 2013	Prior period (Audited) (Reclassified) (Note 2.3) December 31, 2012
Cash flows from operating activities			
Profit before tax and non-controlling interest		**196.946.713**	148.159.130
Reconciliation between net profit before taxation and non-controlling interest and cash generated from operating activities:			
Unrealized foreign exchange expense/income		**274.000**	(2.126.000)
Corrections regarding share-based transactions	27	**7.717**	-
Depreciation and amortization	18, 19, 30	**63.428.181**	57.194.205
Provision for employee termination benefits	24	**1.605.368**	2.380.021
Seniority incentive premium	24	**1.069.107**	3.674.700
Recultivation provision, net	22	**351.882**	(650.827)
Gain on sale of property, plant and equipment and intangibles	32,33	**(880.843)**	(4.117)
Interest expense	33	**20.618.531**	20.498.147
Provision for doubtful receivables	10	**2.742.701**	1.827.004
Dividend income	32	**(10.925.468)**	(10.612.285)
Change in provision for litigations	22	**1.497.701**	676.525
Provision for inventory valuation	13	**5.480.283**	1.106.000
Vacation pay provision expense /(income)	22	**456.201**	(144.665)
Other provisions	22	**2.961.075**	1.855.000
Operating profit before changes in operating assets and liabilities		**285.633.149**	223.832.838
Net changes in operating assets and liabilities			
Trade receivables		**(41.475.120)**	(36.721.488)
Other receivables		**6.821.393**	(3.904.970)
Inventories		**(2.011.231)**	(27.794.361)
Other current assets		**(554.181)**	(513.998)
Prepaid expenses		**(6.688.557)**	(4.737.308)
Trade payables		**45.645.866**	(14.583.781)
Employee benefit obligations		**568.680**	879.593
Other payables		**(207.373)**	(1.917.762)
Deferred revenue		**7.104.403**	504.418
Taxes paid		**(35.369.596)**	(28.038.665)
Employee termination benefits paid	24	**(2.482.192)**	(3.222.650)
Bonuses paid	22	**(1.855.000)**	(1.900.000)
Litigation provisions paid	22	**(1.478.494)**	(685.962)
Seniority incentive premiums paid	24	**(1.043.164)**	(2.383.304)
Collections from doubtful receivables	10	**333.211**	100.341
Net cash provided by operating activities		**252.941.794**	98.912.941

The accompanying policies and explanatory notes on pages 77 through 128 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

	Notes	Current period (Audited), December 31, 2013	Prior period (Audited) (Reclassified) (Note 2.3) December 31, 2012
Cash flows from investing activities			
Cash outflows made for acquisition of shares or debt instruments of other entities or funds		**(198.099)**	-
Purchase of tangible assets	18	**(88.486.562)**	(80.602.382)
Proceeds from sale of property, plant and equipment and intangible assets		**1.845.297**	328.653
Dividends received	32	**10.925.468**	10.612.285
Net cash used in investing activities		**(75.913.896)**	(69.661.444)
Cash flows from financing activities			
Proceeds from short-term borrowings		**496.385.537**	500.923.491
Interest received		**562.240**	671.047
Repayment of borrowings		**(548.957.041)**	(422.467.109)
Dividend paid	27	**(109.986.341)**	(88.716.569)
Dividend paid to non-controlling interest		**(696.889)**	(303.800)
Repayment of finance lease obligations		**(182.259)**	(376.993)
Interest paid		**(11.971.578)**	(20.924.799)
Net cash used in financing activities		**(174.846.331)**	(31.194.732)
Net decrease in cash and cash equivalents		**2.181.567**	(1.943.235)
Cash and cash equivalents at the beginning of the year	6	**13.651.664**	15.594.899
Cash and cash equivalents at the end of the period	6	**15.833.231**	13.651.664

The accompanying policies and explanatory notes on pages 77 through 128 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements as of December 31, 2013 (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 Borsa Istanbul A.Ş. (formerly 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 Kısıklı Caddesi, No: 38, Altunizade, Üsküdar, Istanbul.

The consolidated financial statements are authorized for issue by the management on February 28, 2014. 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 A.Ş. (Karçimsa - 50.99% owned subsidiary of Akçansa) - together are referred to as "Akçansa and its subsidiary" or "the Company". As of December 31, 2013 and December 31, 2012, the number of personnel (all employed in Turkey) is 1.125 and 1.114, 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.

The accompanying consolidated financial statements have been prepared in accordance with the Turkish Accounting Standards ("TAS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") in compliance with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" (the Communiqué) announced by the Capital Markets Board ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. TAS consists of the Turkish Accounting Standards, Turkish Financial Reporting Standards and related supplements and interpretations.

The consolidated financial statements are based on the statutory records with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Financial Reporting Standards as adopted by POA. These adjustments and reclassifications mainly consist of the effect of deferred tax calculation, retirement pay liability, prorata depreciation of property and equipments with useful life assessed by the management, accounting for provisions, the fair value accounting of financial assets available for sale and discounting of trade receivables and payables.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and available for sale financial assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.1Basis of preparation (continued)

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 TAS 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, 2013 and December 31, 2012 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 and Revised Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2013 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2013. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as of January 1, 2013 and has no effect on the Company's financial statements are as follows:

TFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment)

The amendment requires the disclosure of the rights of the entity relating to the offsetting of the financial instruments and some information about the related regulations (eg: collateral agreements).

New disclosures would provide users of financial statements with information that is useful in;

i) Evaluating the effect or potential effect of netting arrangements on an entity's financial position and

ii) Analyzing and comparing financial statements prepared in accordance with TFRSs and other generally accepted accounting standards.

New disclosures have to be provided for all the financial instruments in the statement of financial position that have been offset according to TAS 32. Such disclosures are applicable to financial instruments in the statement of financial position that have not been offset according to TAS 32 but are available for offsetting according to main applicable offsetting regulations or other financial instruments that are subject to a similar agreement. The amendment affects disclosures only and did not have any impact on the consolidated financial statements of the Company.

TAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income

The amendments change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendment affects presentation only and did not have an impact on the financial position or performance of the Company.

TAS 19 Employee Benefits (Amended)

Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, for determined benefit plans recognizing actuarial gain/(loss) under other comprehensive income and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. Company's actuarial gains / losses are already reflected in other comprehensive income. Therefore the change in accounting of actuarial gain/losses has no effect on the Company's financial position and performance.

TAS 27 Separate Financial Statements (Amended)

As a consequential amendment to TFRS 10 and TFRS 12, the POA also amended TAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. This amendment did not have an impact on the financial position or performance of the Company.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.2.New and Revised Turkish Financial Reporting Standards (continued)

TAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to TFRS 11 and TFRS 12, the POA also amended TAS 28, which has been renamed TAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. This amendment did not have an impact on the financial position or performance of the Company.

TFRS 10 Consolidated Financial Statements

TFRS 10, replaces the parts of previously existing TAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This amendment did not have an impact on the financial position or performance of the Company.

TFRS 11 Joint Arrangements

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. This amendment did not have an impact on the financial position or performance of the Company.

TFRS 12 Disclosure of Interests in Other Entities

TFRS 12 includes all of the requirements that are related to disclosures of an entity's interests in subsidiaries, joint arrangements, associates and structured entities. This standard is related with only presentation principles and did not have any effect on the disclosures of the Company.

TFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under TFRS but does not change when an entity is required to use fair value. It is a single source of guidance under TFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. The new disclosures are only required for periods beginning after TFRS 13 is adopted. The Company disclosed the explanations in Note 39.

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The interpretation did not have any significant impact on the financial position or performance of the Company.

Transition Guidance (Amendments to TFRS 10, TFRS 11 and TFRS 12)

The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as 'the beginning of the annual reporting period in which TFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between TFRS 10 and TAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons POA has also amended application guidance of TFRS 11 Joint Arrangements and TFRS 12 Disclosure of Interests in Other Entities to provide transition relief. The amendment did not have any significant impact on the financial position or performance of the Company.

Improvements to TFRSs

Annual Improvements to TFRSs – 2009 – 2011 Cycle, which contains amendments to its standards, is effective for annual periods beginning on or after January 1, 2013. This project did not have an impact on the financial position or performance of the Company.

TAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.2.New and Revised Turkish Financial Reporting Standards (continued)

TAS 16 Property, Plant and Equipment:
Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

TAS 32 Financial Instruments: Presentation:
Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with TAS 12 Income Taxes. The amendment removes existing income tax requirements from TAS 32 and requires entities to apply the requirements in TAS 12 to any income tax arising from distributions to equity holders.

TAS 34 Interim Financial Reporting:
Clarifies the requirements in TAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

Standards issued but not yet effective and not early adopted
Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements and not early adopted by the Company are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amended)
The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the TAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

TFRS 9 Financial Instruments – Classification and Measurement
As amended in December 2011, the new standard is effective for annual periods beginning on or after January 1, 2015. Phase 1 of TFRS 9 introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.

TFRIC Interpretation 21 Levies
The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is effective for annual periods beginning on or after January 1, 2014, with early application permitted. Retrospective application of this interpretation is required. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

Amendments to TAS 36 - (Recoverable Amount Disclosures for Non-Financial assets)
As a consequential amendment to TFRS 13 Fair Value Measurement, some of the disclosure requirements in TAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets have been modified. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted for periods when the entity has already applied TFRS 13. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.2.New and Revised Turkish Financial Reporting Standards (continued)

Amendments to TAS 39 - Novation of Derivatives and Continuation of Hedge Accounting
Amendments to TAS 39 Financial Instruments: Recognition and Measurement, provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2014. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA
The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Company will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

IFRS 10 Consolidated Financial Statements (Amendment)
IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. The amendment will not have an effect on the financial position and performance of the Company.

IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 -IFRS 9 (2013)
In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. The standard does not have a mandatory effective date, but it is available for application now; a new mandatory effective date will be set when the IASB completes the impairment phase of its project on the accounting for financial instruments. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

Improvements to IFRSs
In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs – 2010–2012 Cycle and IFRSs – 2011–2013 Cycle. Other than the amendments that only affect the standards' Basis for Conclusions, the changes are effective as of 1 July 2014. Earlier application is permitted.

Annual Improvements to IFRSs – 2010–2012 Cycle

IFRS 2 Share-based Payment:
Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

IFRS 3 Business Combinations
Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

IFRS 8 Operating Segments
The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

IFRS 13 Fair Value Measurement
As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.2.New and Revised Turkish Financial Reporting Standards (continued)

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:

i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

IAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements to IFRSs – 2011–2013 Cycle

IFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

IFRS 13 Fair Value Measurement

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

IAS 40 Investment Property

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

These amendments did not have an impact on the financial position or performance of the Company.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 was originally issued in January 2014. IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Companies which currently prepare financial statements according to IFRS are not permitted to use this standard. The standard applies to an entity's first annual IFRS financial statements for a period beginning on or after January 1, 2016. This standard does not apply to the Company and will not have any impact on the financial position or performance of the Company.

Resolutions promulgated by the Public Oversight Authority

In addition to those mentioned above, the POA has promulgated the following resolutions regarding the implementation of Turkish Accounting Standards. "Illustrative financial statement and user guide" became immediately effective at its date of issuance; however, the other resolutions shall become effective for the annual reporting periods beginning after December 31, 2012.

2013-1 Illustrative Financial Statement and User Guide

The POA promulgated "illustrative financial statement and user guide" on May 20, 2013 in order to ensure the uniformity of financial statements and facilitate their audit. The financial statement examples within this framework were published to serve as an example to financial statements to be prepared by companies obliged to apply TAS, excluding financial institutions established to engage in banking, insurance, private pensions or capital market. The Company made reclassifications stated in Note 2.3 in order to comply with the requirements of this regulation.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.2.New and Revised Turkish Financial Reporting Standards (continued)

2013-2 Accounting of Combinations under Common Control

In accordance with the resolution it has been decided that i) combination of entities under common control should be recognized using the pooling of interest method, ii) and thus, goodwill should not be included in the financial statements and iii) while using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred. These resolutions did not have any impact on the financial statements of the Company.

2013-3 Accounting of Redeemed Share Certificates

Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments. These resolutions did not have any impact on the financial statements of the Company.

2013-4 Accounting of Cross Shareholding Investments

If a subsidiary of a parent entity holds shares of the parent, then this is defined as cross shareholding investment and accounting of this cross investment is assessed based on the type and different recognition principles adopted. With the subject resolution, this topic has been assessed under three main headings as explained below and the recognition principles have been determined for each of them.

i) the subsidiary holding the equity based financial instruments of the parent,
ii) the associates or joint ventures holding the equity based financial instruments of the parent,
iii) the parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 39 and TFRS 9 by the parent.

These resolutions did not have any impact on the financial statements of the Company.

2.3 Comparative information and reclassification of prior period financial statements

Pursuant to the decree taken in the CMB's meeting dated June 7, 2013 and numbered 20/670, for capital market board institutions within the scope of the Communiqué on Principles Regarding Financial Reporting in the Capital Market, financial statement templates and a user guide have been published, effective as of the interim periods ended after March 31, 2013. Various classifications were made in the Company's balance sheet and comprehensive income statement pursuant to these formats which have taken effect.

The reclassifications that are made at the Company's balance sheet as of December 31, 2012 are as follows;

- Advances given amounting to TL 6.152.637 presented under other current receivable and prepaid expenses amounting to TL 3.651.353 presented under other current assets are reclassified to prepaid expenses as a seperate line in the balance sheet,
- Advances received amounting to TL 3.424.218 presented under other current liabilities are reclassified to deferred income as a seperate line in the balance sheet,
- Payables to personnel amounting to TL 784.893, social security premiums payable amounting to TL 1.650.027 and taxes and funds payable amounting to 1.621.537 presented under other short term payables are reclassified to employee benefit obligations,
- Payables from financial borrowings amounting to TL 35.742.607 and payables from financial leases amounting to TL 213.912 presented under short-term financial liabilities are reclassified to current portion of long-term borrowings seperately,
- Investment advances given amounting to TL 1.753.786 and prepaid expenses amounting to TL 1.220.952 presented under other non-current assets are reclassified to prepaid expenses as a seperate line in the balance sheet,

The reclassifications made at the Company's income statement for the period ended December 31, 2012 are as follows:

- Income from sales of property, plant and equipment amounting to TL 277.864 presented under other operating income is reclassified to income from investing activities,
- Loss from sales of property, plant and equipment amounting to TL 273.747 presented under other operating expense is reclassified to expense from investing activities,
- Foreign exchange losses amounting to TL 3.839.978 and foreign exchange gains amounting to TL 4.259.672 which were related to trade receivable and trade payables presented under financial expense and financial income respectively are reclassified to operating expenses and operating income,
- Maturity difference income amounting to TL 901.318 presented under financial income is reclassified to operating income
- Dividend income amounting to TL 10.612.285 presented under financial income is reclassified to income from investing activities.

Notes to the consolidated financial statementsas of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.4 Significant accounting judgments and estimates

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 tangible and intangible assets (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.

f- The Company performs 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 sectorial benchmark method. These analyses contain certain assumptions regarding the comparison of the market values of similar companies.

2.5 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. The control is available if and only if all of the following indicators of the investment properties is present in more than one condition; a) power over an investee, b) exposure, or rights, to variable returns from its involvement with the investee, c) the ability to use its power over the investee to affect the amount of the investor's return.

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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statementsas of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies

Basis of consolidation (continued)

Changes in the Company's ownership interests in subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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.

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.

Notes to the consolidated financial statementsas of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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.

Assets under construction that are held for rental or any other administrative or undefined purposes are carried at cost less any impairment loss, if any. Legal fees are also included in cost. Borrowing costs are capitalized for assets that need substantial time to prepare the asset for its intended use or sale. As the similar depreciation method used for other fixed assets, depreciation of such assets begins when they are available for use.

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

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.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Goodwill

Any excess of the acquirer's interest over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination cost is accounted for as goodwill.

In accordance with TFRS 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.

Notes to the consolidated financial statementsas of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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, 2013 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, 2013	**2,1343**	**2,9365**
December 31, 2012	1,7826	2,3517

Provisions, contingent assets and liabilities

Provisions

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

Contingent assets and liabilities

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

Income tax

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

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

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

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

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Employee benefits/ retirement pay liability/vacation 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 9.740.572 as of December 31, 2013 (December 31, 2012 – TL 8.142.124).

(c) Provision for unused vacation:

The short term benefits provided to employees comprise the ones which are expected to be settled wholly in twelve months after the end of the reporting period. The Company classifies unused vacation provision in provisions for short term employee benefits since the expectation is the settlement in the following twelve months after the reporting period.

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.

Leasing - as lessor and lessee

Operational lease transactions

Leases of assets under which substantially all the risks and rewards of ownership are effectively retained by the lessor, are classified as operating leases. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term.

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.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Related parties

Parties are considered related to the Company if;

a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) Has control or joint control over the reporting entity;
(ii) Has significant influence over the reporting entity; or
(iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(i) The entity and the company are members of the same group.
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent 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.

Rent revenue

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

Dividends and interest revenue

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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.

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.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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, 2013 and December 31, 2012, 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 Borsa Istanbul A.Ş. (formerly 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.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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 TAS 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.

3. Business combinations

None.

4. Joint ventures

The Company does not have any joint ventures as of December 31, 2013 and December 31, 2012.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

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 Company prepares its segment reporting in accordance with TFRS 8. As of December 31, 2013 and December 31, 2012; information about the Company's segments consists of revenues and profits related with cement (including clinker and aggregate) and ready mix concrete.

January 1- December 31, 2013	Cement	Ready mix concrete	Undistributed	Elimination	Total
Net Sales	872.706.219	463.108.755	-	(133.590.406)	1.202.224.568
Cost of sales (-)	(617.793.999)	(453.445.825)	-	133.590.406	(937.649.418)
Gross profit	**254.912.220**	**9.662.930**	-	-	**264.575.150**
Operating expense (-)	(46.726.760)	(11.067.243)	-	-	(57.794.003)
Other operating income / expense (-), net	(2.491.035)	(970.605)	-	-	(3.461.640)
Operating profit	**205.694.425**	**(2.374.918)**	-	-	**203.319.507**
Income/Expense from investment activities (-), net	10.901.327	904.984	-	-	11.806.311
Financial income / expense (-), net	(18.009.300)	(169.805)	-	-	(18.179.105)
Net income before taxes from continuing operations	**198.586.452**	**(1.639.739)**	-	-	**196.946.713**
Tax income/expense for continuing operations, net	-	-	**(37.533.986)**	-	**(37.533.986)**
Tax expense for the period (-)	-	-	(38.134.875)	-	(38.134.875)
Deferred tax income/(expense)	-	-	600.889	-	600.889
Continuing operations net profit	**198.586.452**	**(1.639.739)**	**(37.533.986)**	-	**159.412.727**

December 31, 2013	Cement	Ready mix concrete	Undistributed	Elimination	Total
Assets and Liabilities					
Segment assets	1.049.521.752	226.043.818	-	-	1.275.565.570
Investments	-	-	164.879.006	-	164.879.006
Undistributed assets	-	-	36.773.832	-	36.773.832
Total Assets	**1.049.521.752**	**226.043.818**	**201.652.838**	-	**1.477.218.408**
Undistributed liabilities	-	-	1.477.218.408	-	1.477.218.408
Total liabilities	-	-	**1.477.218.408**	-	**1.477.218.408**

January 1- December 31, 2013					
Other segment information					
Capital expenditures (expenses)					
Tangible and intangible fixed assets	64.993.701	23.492.861	-	-	88.486.562
Total capital expenditures	**64.993.701**	**23.492.861**	-	-	**88.486.562**
Depreciation expenses	53.139.218	8.494.279	-	-	61.633.497
Amortization expenses	1.765.904	28.780	-	-	1.794.684

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

5. Segment reporting (continued)

January 1 – December 31, 2012	Cement	Ready mix concrete	Undistributed	Elimination	Total
Net Sales	762.982.688	419.122.127	-	(126.202.408)	1.055.902.407
Cost of sales (-)	(568.989.129)	(408.057.656)	-	126.202.408	(850.844.377)
Gross profit	**193.993.559**	**11.064.471**	-	-	**205.058.030**
Operating expense (-)	(38.198.301)	(9.093.944)	-	-	(47.292.245)
Other operating income / expense (-), net	(1.376.901)	(926.972)	-	-	(2.303.873)
Operating profit	**154.418.357**	**1.043.555**		-	**155.461.912**
Income/Expense from investment activities (-), net	10.735.188	(118.786)	-	-	10.616.402
Financial income / expense (-), net	(17.912.224)	(6.960)	-	-	(17.919.184)
Net income before taxes from continuing operations	**147.241.321**	**917.809**	-	-	**148.159.130**
Tax income/expense for continuing operations, net	-	-	**(27.332.897)**	-	**(27.332.897)**
Tax expense for the period (-)	-	-	(28.922.734)	-	(28.922.734)
Deferred tax income/(expense)	-	-	1.589.837	-	1.589.837
Continuing operations net profit	**147.241.321**	**917.809**	**(27.332.897)**	–	**120.826.233**

December 31, 2012	Cement	Ready mix concrete	Undistributed	Elimination	Total
Assets and Liabilities					
Segment assets	1.051.403.596	169.948.078	-	-	1.221.351.674
Investments	-	-	137.265.842	-	137.265.842
Undistributed assets	-	-	29.951.122	-	29.951.122
Total Assets	**1.051.403.596**	**169.948.078**	**167.216.964**	-	**1.388.568.638**
Undistributed liabilities	-	-	1.388.568.638	-	1.388.568.638
Total liabilities	–	–	**1.388.568.638**	–	1.388.568.638

January 1- December 31, 2012					
Other segment information					
Capital expenditures (expenses)					
Tangible and intangible fixed assets	62.910.066	17.692.316	-	-	80.602.382
Total capital expenditures	**62.910.066**	**17.692.316**	-	-	**80.602.382**
Depreciation expenses	48.437.568	7.113.967	-	-	55.551.535
Amortization expenses	904.425	738.245	-	-	1.642.670

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

6. Cash and cash equivalents

	December 31, 2013	December 31, 2012
Cash at banks (including short-term time deposits)	**11.987.371**	5.345.524
Checks in collection with maturities before year end	**3.845.573**	8.305.987
Cash in hand	**287**	153
Toplam	**15.833.231**	13.651.664

Depending on the immediate cash requirements of the company, time deposits have 1-30 days for TL (December 31, 2012 – 1-30 days), 1-30 days for USD (December 31, 2012 – 1-30 days), maturities. Interest rates for TL time deposits are 4,50% - 9,40% (December 31, 2012 – 5,00% - 11,75%), for USD 0,50% - 2,50% (December 31, 2012 – 0,50% - 4,25%).

The Company does not have blocked deposits as of December 31, 2013 and December 31, 2012.

7.Financial investments

- Short term
  None.

- Long team

	December 31, 2013		December 31, 2012	
	Share (%)	Amount	Share (%)	Amount
Available for sale financial assets- fair value				
Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi (Çimsa)	**8,98**	**138.288.383**	8,98	110.873.318
Total		**138.288.383**		110.873.318
Available for sale financial assets- value at cost				
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	**15,00**	**22.860.787**	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 Römerkaj 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		**164.879.006**		137.265.842

Fair value of Çimsa of which shares are traded on the Borsa Istanbul A.Ş. (BIST) (formerly Istanbul Stock Exchange (ISE)) are determined by reference to BIST quoted market bid price at the close of business at December 31, 2013 and December 31, 2012. The current year fair value increase amounting to TL 27.415.065 (December 31, 2012 – TL 19.408.896 increasing), is included in the 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.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

8. Financial liabilities
Short term financial liabilities

December 31, 2013	Currency	Balance	Maturity	TL Balance
Unsecured loans	TL (**)	30.000.000	February 27, 2014	31.707.307
	TL (**)	110.000.000	March 28, 2014	115.723.605
	TL (*)(**)	1.757.319	-	1.123.986
				148.554.898

December 31, 2012	Currency	Balance	Maturity	TL Balance
Unsecured loans	TL (**)	30.000.000	February 20, 2013	30.238.875
	TL (**)	30.000.000	February 20, 2013	40.316.333
	TL (**)	50.000.000	February 28, 2013	30.192.000
	TL (**)	35.000.000	January 2, 2013	35.022.361
	TL (**)	10.000.000	January 2, 2013	10.004.792
	TL (**)	40.000.000	March 28, 2013	40.028.889
	TL (**)	1.368.233	-	1.368.233
	TL (*)	1.212.491	-	1.212.491
				188.383.974

Short term portion of long-term borrowings

December 31, 2013	Currency	Balance	Maturity	TL Balance
Short-term portion of long term loans	TL (**)	30.000.000	January 12, 2014	633.333
				633.333

December 31, 2012	Currency	Balance	Vade	TL Balance
Short-term portion of long term loans	USD (***)	10.025.404	May 2, 2013	17.871.285
	USD (***)	10.025.425	May 2, 2013	17.871.322
				35.742.607

Long term financial liabilities

December 31, 2013	Currency	Balance	Maturity	TL Balance
Long term financial liabilities	TL (**)	30.000.000	January 2, 2015	29.922.691
				29.922.691

There are no outstanding long term loans as of December 31, 2012.

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

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

8. Financial liabilities (continued)
Finance lease commitments

Long term leasing liabilities and short term portion (net)

There is a 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, 2013, the Company has short term USD financial lease obligations with the amount of TL 192.087 (December 31,2012 – TL 213.912).

As of December 31, 2013, the Company does not have any long term financial lease obligations. (December 31, 2012 – TL 160.434).

Financial lease commitments	December 31, 2013	December 31, 2012
In a year	192.087	213.912
1-5 years	-	160.434
Total financial lease obligations	192.087	374.346
Interest	-	-
Net present value of total financial lease obligations	192.087	374.346

9. Other financial liabilities
As of December 31, 2013, there are no other financial liabilities (December 31, 2012 - None).

10. Trade receivables and payables
Trade receivables

Short-term trade receivables

	December 31, 2013	December 31, 2012
Trade receivables (net)	169.887.795	131.201.124
Notes receivables and post-dated checks	132.836.663	114.690.420
Due from associates (Note 37)	36.594	20.672
Due from other related parties (Note 37)	23.821.554	42.391.464
Doubtful receivables	9.906.718	7.497.228
Provision for doubtful receivables (-)	(9.906.718)	(7.497.228)
	326.582.606	288.303.680

The effective interest rates used to calculate net book value of the receivables are 10,1279% for TL, 0,5831% for USD and 0,51886% for EUR (December 31, 2012 – 7,00% for TL, 0,8435% for USD and 0,4400% for EUR).

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

10. Trade receivables and payables (continued)

Trade receivables (continued)

Short term trade receivables (continued)

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

The movement of the provision for doubtful receivables for the period ended December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
January 1	**7.497.228**	5.770.565
Additions (Note 29)	**2.742.701**	1.827.004
Collections (Note 29)	**(333.211)**	(100.341)
	9.906.718	7.497.228

Collection term of trade receivables vary depending upon the type of product and the agreement and the average maturity of trade receivables is 86 days for cement (December 31, 2012 – 87 days) and 77 days for ready-mixed concrete (December 31, 2012 – 80 days).

As of December 31, 2013 and December 31, 2012, 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
31 Aralık 2013	**321.950.892**	**3.406.211**	**494.623**	**242.111**	**113.938**	**374.831**	**326.582.606**
31 Aralık 2012	284.524.621	2.481.180	416.544	121.887	189.638	569.810	288.303.680

Trade payables

Short term trade payables

	December 31, 2013	December 31, 2012
Trade payables (net)	**183.276.242**	144.076.581
Due to associates (Note 37)	**539.320**	402.039
Due to other related parties (Note 37)	**8.649.718**	2.341.934
Due to shareholders (Note 37)	**251.847**	250.707
	192.717.127	147.071.261

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 10,1279% (December 31, 2012 - 7,00%) for TL, 0,5831% (December 31, 2012 - 0,8435%) for USD and 0,51886 % (December 31, 2012 - 0,4400%) for EUR.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

11. Other receivables, other payables and employee benefit obligations

Short term other receivables

	December 31, 2013	December 31, 2012
Due from personnel (Note 37)	**739.689**	772.624
Deferred VAT	**681.573**	7.508.170
Deposits and guarantees given	**9.550**	9.550
Other	**525.114**	486.975
	1.955.926	8.777.319

Short term other payables

	December 31, 2013	December 31, 2012
Deposits and guarantees received	**2.772.524**	2.303.821
Other liabilities payable	**2.499.243**	2.713.105
Taxes and funds payable	**1.712.982**	1.248.215
Dividend payables to shareholders (Note 37)	**-**	596.431
Other various payables	**103.214**	295.208
	7.087.963	7.156.780

Deferred Revenues

	December 31, 2013	December 31, 2012
Advances received	**10.528.621**	3.424.218
	10.528.621	3.424.218

Short term employee benefit obligations

	December 31, 2013	December 31, 2012
Social security premiums payable	**1.862.314**	1.650.027
Taxes and funds payable	**1.734.685**	1.621.537
Due to personnel (Note 37)	**1.028.138**	784.893
	4.625.137	4.056.457

Other long term receivables

	December 31, 2013	December 31, 2012
Deposits and guarantees given	**565.961**	445.678
	565.961	445.678

31 Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

11. Other receivables, other payables and employee benefit obligations (continued)

Other long term payables

	December 31, 2013	December 31, 2012
Installments of taxes and funds (*)	-	98.097
	-	98.097

(*) As of December 31, 2013, within the scope of law no. 6111, the short-term portion of taxes payable installments amounting to TL 98.098 (December 31, 2012 - TL 294.293) is booked to "Tax and Funds Payable" under other current liabilities.

12. Receivables and payables from financial sector operations

The Company does not have any financial sector operations as of December 31, 2013 and December 31, 2012.

13. Inventories

	December 31, 2013	December 31, 2012
Raw materials, net	**94.990.757**	102.375.425
Work-in-process	**13.306.143**	10.604.637
Goods-in transit	**5.663.164**	7.210.576
Finished goods	**3.112.936**	351.414
	117.073.000	120.542.052

The Company recognized impairment on inventories with the amount of TL 5.480.283 in 2013. (December 31, 2012 – TL 1.106.000).

14. Biological assets

The Company does not have any biological assets as of December 31, 2013 and December 31, 2012.

15. Assets related with construction projects in progress

The Company does not have any construction projects as of December 31, 2013 and December 31, 2012.

16. Investments accounted under equity method

The Company does not have any investments accounted under equity method as of December 31, 2013 and December 31, 2012.

17. Investment properties

The Company does not have any investment properties as of December 31, 2013 and December 31, 2012.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

18. Property, plant and equipment

	January 1, 2013	Additions	Transfers (*)	Disposals	December 31, 2013
Cost:					
Land, and land improvements	**137.804.607**	**-**	**7.455.293**	**(143.020)**	**145.116.880**
Buildings	**255.971.680**	-	**8.127.308**	-	**264.098.988**
Machinery and equipment	**1.158.073.258**	**42.465**	**105.956.112**	**(12.842.330)**	**1.251.229.505**
Furniture, fixtures and motor vehicles	**68.147.653**	**404.954**	**14.293.314**	**(2.604.992)**	**80.240.929**
Leasehold improvements	**47.375.811**	-	**7.436.507**	**(1.296.047)**	**53.516.271**
Construction-in-progress	**89.073.705**	**88.039.143**	**(145.729.952)**	-	**31.382.896**
Total	**1.756.446.714**	**88.486.562**	**(2.461.418)**	**(16.886.389)**	**1.825.585.469**
Accumulated depreciation:					
Land, and land improvements	**73.133.143**	**3.274.055**	-	-	**76.407.198**
Buildings	**137.578.151**	**13.482.728**	**-**	-	**151.060.879**
Machinery and equipment	**826.308.075**	**36.391.714**	**-**	**(12.477.432)**	**850.222.357**
Furniture, fixtures and motor vehicles	**45.420.717**	**5.918.389**	**-**	**(2.522.239)**	**48.816.867**
Leasehold improvements	**32.391.665**	**2.566.611**	-	**(922.264)**	**34.036.012**
Toplam	**1.114.831.751**	**61.633.497**	-	**(15.921.935)**	**1.160.543.313**
Property,plant and equipment, net	**641.614.963**				**665.042.156**

	January 1, 2012	Additions	Transfers (*)	Disposals	December 31, 2012
Cost					
Land, and land improvements Buildings	135.043.323	62.400	2.698.884	-	137.804.607
Buildings	254.189.252	1.400	1.781.028	-	255.971.680
Machinery and equipment	1.125.352.951	47.133	34.304.843	(1.631.669)	1.158.073.258
Furniture, fixtures and motor vehicles	61.977.908	152.004	6.867.052	(849.311)	68.147.653
Leasehold improvements	45.852.687	5.500	2.216.159	(698.535)	47.375.811
Construction-in-progress	57.842.155	80.333.945	(49.102.395)	-	89.073.705
Total	1.680.258.276	80.602.382	(1.234.429)	(3.179.515)	1.756.446.714
Accumulated depreciation:					
Land, and land improvements	70.026.043	3.107.100	-	-	73.133.143
Buildings	123.612.621	13.965.530	-	-	137.578.151
Machinery and equipment	795.006.268	32.761.282	-	(1.459.475)	826.308.075
Furniture, fixtures and motor vehicles	42.556.973	3.624.734	-	(760.990)	45.420.717
Leasehold improvements	30.933.290	2.092.889	-	(634.514)	32.391.665
Total	1.062.135.195	55.551.535	-	(2.854.979)	1.114.831.751
Property, plant and equipment, net	**618.123.081**				**641.614.963**

(*) As of December 31, 2013, there has been a transfer amounting TL 2.461.418 from ongoing investments to intangible assets. (December 31, 2012 - TL 1.234.429)

As of December 31, 2013, the total cost of tangible assets purchased with financial leasing amounts TL 21.033.378 (December 31, 2012 – TL 22.058.277) and the total accumulated depreciation amounts TL 11.183.580 (December 31, 2012 – TL 10.924.148).

There are no purchases of property, plant, equipment and intangible assets with financial leasing in year 2013 and 2012.

As of December 31, 2013, total gross value of property, plant and equipment and intangible assets which are fully depreciated/amortized but are still in use is TL 675.465.437 (December 31, 2012 – TL 590.142.606).

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

18. Property, plant and equipment (continued)

Pledge and mortgages on assets

There are no pledges or mortgages on Company's property, plant and equipments as of December 31, 2013 and December 31, 2012.

19. Intangible assets

	January 1, 2013	Additions / charge	Transfers from construction-in-progress	Disposals	December 31, 2013
Cost					
Rights and other intangibles	52.444.608	-	2.461.418	(8.866)	54.897.160 (*)
Less: Accumulated amortization					
Rights and other intangibles	17.882.741	1.794.684	-	(8.866)	19.668.559 (**)
Intangible assets, net	34.561.867				35.228.601

	January 1, 2012	Additions / charge	Transfers from construction-in-progress	Disposals	December 31, 2012
Cost					
Rights and other intangibles	51.210.179	-	1.234.429	-	52.444.608 (*)
Less: Accumulated amortization					
Rights and other intangibles	16.240.071	1.642.670	-	-	17.882.741 (**)
Intangible assets, net	34.970.108				34.561.867

(*) As of December 31, 2013, intangible assets amounting to TL 41.195.255 consist of mining rights (December 31, 2012 - TL 41.210.912).

(**) As of December 31, 2013, TL 9.496.444 of this amount consists of mining rights related accumulated amortization (December 31, 2012 - TL 8.760.348).

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

20. Goodwill

Fair value determination of the Ladik cement plant's assets and liabilities which were acquired on May 1, 2007 was finalized and as a result of this determination, goodwill amounting to TL 129.457.887 is recognized in the accounts

As of December 31, 2013, 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 2023 considers the weighted average cost of capital as 12,70% (13,25% - December 31, 2012) and performing sensitivity test at 3% (3% - December 31, 2012). The Company considers analysis covering a period longer than five years is more appropriate as to evaluation of operating results and prospective assumptions in the sector and therefore impairment test is based on ten years plans.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

21. Government incentives and grants

The Company does not have any incentives and grants received from the government.

22. Provisions, contingent assets and liabilities

Short-term provisions for employee benefits

	December 31, 2013	December 31, 2012
Vacation pay liability	2.688.555	2.232.354
Bonus accruals to be paid to executive management	2.961.075	1.855.000
	5.649.630	4.087.354

Other short term provisions

	December 31, 2013	December 31, 2012
Litigation provision (Note 31)	1.128.815	1.109.608
	1.128.815	1.109.608

	Litigations (Note 31)	Vacation pay liability	Bonus accruals to be paid to executive management
January 1, 2013	1.109.608	2.232.354	1.855.000
Change in vacations,net	-	456.201	-
Charge for the current year	-	-	2.961.075
Payments	(1.478.494)	-	(1.855.000)
Changes in the estimations	1.497.701	-	-
December 31, 2013	1.128.815	2.688.555	2.961.075

	Litigations (Note 31)	Vacation pay liability	Bonus accruals to be paid to executive management
January 1, 2012	1.119.045	2.377.019	1.900.000
Change in vacations,net	-	(144.465)	-
Charge for the current year	-	-	1.855.000
Payments	(685.962)	-	(1.900.000)
Changes in the estimations	676.525	-	-
December 31, 2012	1.109.608	2.232.354	1.855.000

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

22. Provisions, contingent assets and liabilities (continued)

Other long term provisions

Recultivation Provision	December 31, 2013	December 31, 2012
January 1	**2.291.388**	2.942.215
Charge for the year	**351.882**	(650.827)
Discount effect	**(84.571)**	-
	2.558.699	2.291.388

Guarantees received and given

As of December 31, 2013 and December 31, 2012 guarantees received and given can be presented as follows:

			December 31, 2013		December 31, 2012
	Currency	Original amount	TL equivalent	Original amount	TL equivalent
Letters of guarantee received	EURO	1.087	**3.190.886**	1.076.744	2.532.179
Letters of guarantee received	USD	270.468	**577.259**	270.468	482.136
Letters of guarantee received	GPB	35.989	**86.010**	-	-
Letters of guarantee received	TL	-	**138.226.247**	-	103.419.171
Mortgages received	TL	-	**11.113.901**	-	10.830.537
Cheques and notes received	TL	-	**12.336.963**	–	14.469.797
Cheques and notes received	EURO	719.900	**2.113.986**	478.400	1.125.053
Cheques and notes received	USD	135.225	**288.611**	482.704	241.052
Total guarantees received			**167.933.863**		**133.099.925**

			December 31, 2013		December 31, 2012
	Currency	Original amount	TL equivalent	Original amount	TL equivalent
A. Total amount of guarantees given on the behalf of legal entity			18.212.282		15.251.140
	TL	-	**16.271.839**	-	14.404.306
	USD	458.576	**978.739**	43.000	76.652
	EURO	327.500	**961.704**	327.500	770.182
B. Total amount of guarantees given on behalf of associations that included in full consolidation		-	-	-	-
C. Total amount of guarantees given on behalf of third parties liabilities within the context of business operations		-	-	-	-
D. Total amount of other guarantees given		-	-	-	-
i. Total amount of guarantees given on behalf of main shareholder		-	-	-	-
ii. Total amount of guarantees given on behalf of group Company which is not under Section B and C		-	-	-	-
iii. Total amount of guaratees given on behalf of third parties which is not under Section C		-	-	-	-
Total guarantees given			**18.212.282**		**15.251.140**

The percentage of the Company's other GPMs to the Company's equity is 0% as of December 31, 2013 (December 31, 2012 - 0%).

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

22. Provisions, contingent assets and liabilities (continued)

Insurance coverage on assets

Insurance coverage on assets including cash, inventories and property, plant and equipment of the Company is TL 1.606.153.038 (December 31, 2012 – TL 1.403.272.453).

Litigations

a) As of December 31, 2013, there were a number of legal proceedings outstanding against the Company in which total claims amounted to TL 5.262.494 (December 31, 2012 – TL 5.367.744). 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 ,2013, the Company has provided a provision for an amount of TL 1.128.815 (December 31, 2012– TL 1.109.607) for the litigations, which may result against the Company in the future and which are not covered by the employer's insurance.

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, 2013, the Company has accounted a recultivation provision at an amount of TL 2.558.699 (December 31, 2012 – TL 2.291.388) in "Long term provisions".

Forward and option contracts

As of December 31, 2013, the Company has no outstanding forward and option contracts (December 31, 2012 - None).

23. Commitments

Operational and financial lease commitments

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

Operating lease commitments	December 31, 2013	December 31, 2012
Within one year	**1.810.727**	2.135.248
After one year but not more than five years	**2.736.224**	2.857.545
More than five years	**2.106.000**	2.184.000
	6.652.951	7.176.793

As of December 31, 2013, TL 2.682.552 (December 31, 2012 – TL 2.225.052) of the Company's expenses related with the operating lease transactions is reflected in the consolidated income statement.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

24. 23. Employee benefits

Long term provision for employee termination benefits

	December 31, 2013	December 31, 2012
Provision for employee termination benefits	**15.158.163**	17.250.657
Seniority incentive premium	**4.097.612**	4.071.669
	19.255.775	21.322.326

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 3.254,44 as of December 31, 2013 (December 31, 2012 - TL 3.033,98) per year of employment.

In accordance with TAS 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 TAS 19 based on employees' service period and assumptions by professional actuaries and reflects these figures on financial statements. All actuarial gains and losses 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, 2013	December 31, 2012
Discount rate	**%10,20**	%8,75
Estimated salary increase rate	**%5,00**	%5,00

Movement of the reserve for the employee termination benefits as of December 31, 2013 and December 31, 2012 is as follows:

Provision for employee termination benefits	December 31, 2013	December 31, 2012
January 1	**17.250.657**	15.921.286
Retirement pay liability paid	**(2.482.192)**	(3.222.650)
Actuarial gain/loss	**(2.665.349)**	1.498.000
Interest expense	**1.449.679**	674.000
Charge for the year	**1.605.368**	2.380.021
	15.158.163	17.250.657

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

24. Employee benefits (continued)

On March 25, 2013, collective labor agreement is signed between Cement Industry Employers' Union and T. Çimse-İş Labor Union commenced effective between January 1, 2013 and December 31, 2015.

Seniority incentive premium	December 31, 2013	December 31, 2012
Opening	**4.071.669**	2.780.273
Paid seniority incentive premium	**(1.043.164)**	(2.383.304)
Charge for the year	**1.069.107**	3.674.700
	4.097.612	4.071.669

Seniority incentive premium is the employee benefit provided in accordance with the Company policy and the liability as of balance sheet date 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, 2013 and December 31, 2012.

26. Prepaid expenses, other assets and liabilities

Short term prepaid expenses

	December 31, 2013	December 31, 2012
Prepaid expenses	**3.349.577**	3.651.353
Advances given to suppliers	**13.856.852**	6.121.918
Advances given	**65.275**	30.719
	17.271.704	**9.803.990**

Long term prepaid expenses

	December 31, 2013	December 31, 2012
Investment advances	**1.074.965**	1.753.786
Prepaid rent expenses	**1.120.616**	1.220.952
	2.195.581	**2.974.738**

Other short term liabilities

	December 31, 2013	December 31, 2012
Expense accruals	-	40.459
	-	**40.459**

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

27. Shareholders' equity

Issued capital and adjustments to share capital and equity investments

	December 31, 2013	December 31, 2012
Number of common shares (authorized and outstanding) 0,01 TL par value	**19.144.706.825**	19.144.706.825

As of December 31, 2013, the Company's paid-in capital is TL 191.447.068 (December 31, 2012 - TL 191.447.068) (based on historical costs).

As of December 31, 2013 and December 31, 2012, the composition of paid-in capital (presented in number of shares and historical cost) can be summarized as follows:

December 31, 2013		December 31, 2012	
Number of shares	**TL**	Number of shares	TL
19.144.706.825	**191.447.068**	19.144.706.825	191.447.068

As of December 31, 2013 and December 31, 2012, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2013		December 31, 2012	
	Tutar	**%**	**Tutar**	**%**
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 can not be used.

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

27. Shareholders' equity (continued)

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.

As of December 31, 2013 and December 31, 2012, the composition of consolidated legal reserves, statutory reserves, extraordinary reserves, accumulated profit (loss) and other reserves can be summarized as follows:

	December 31, 2013	December 31, 2012
Legal reserves	**112.473.058**	102.296.433
Statutory reserves	**35**	35
Extraordinary reserves	**7.373.372**	164.382
Accumulated profit due to inflation difference	**7.758.970**	7.758.970
Other reserves	**3.343.065**	2.929.174

The Company resolved at the General Assembly meeting to pay TL 0,5745 gross=net dividend to TL 1 nominal share resulting in 57,45% to the fully fledged tax payers and foreign-based tax payers earning dividend through an office or an ordinary agent in Turkey. In addition, TL 0, 5745 gross, TL 0,4883 net dividend to TL 1 nominal share resulting in 20,4% has been paid to other shareholders. Total of TL 109.986.341 cash dividend payment has been made starting from March 29, 2013.

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.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

28. Sales and cost of sales

Sales revenue

	January 1 – December 31, 2013	January 1 – December 31, 2012
Domestic sales	**1.053.163.062**	856.327.526
Foreign sales	**169.572.272**	212.903.697
Sales discount (-)	**(8.636.741)**	(5.020.270)
Other discounts (-)	**(25.501.102)**	(21.663.481)
	1.188.597.491	1.042.547.472
Domestic service sales	**13.627.077**	13.354.935
Total	**1.202.224.568**	1.055.902.407

Satışların maliyeti

	January 1 – December 31, 2013	January 1 – December 31, 2012
Direct material and supplies expenses	**738.960.527**	676.170.950
Direct labor expenses	**52.238.550**	48.553.641
Depreciation and amortization expenses	**59.675.841**	54.760.864
Other production expenses	**71.331.596**	58.086.185
Total production cost	**922.206.514**	837.571.640
Change in work-in-process	**(2.701.506)**	(661.753)
Beginning WIP	**10.604.637**	9.942.884
Ending WIP	**13.306.143**	10.604.637
Change in finished goods	**1.547.412**	(723.446)
Beginning finished goods	**7.210.576**	6.487.130
Ending finished goods	**5.663.164**	7.210.576
Cost of merchandise sold	**9.383.692**	8.884.211
Cost of domestic service sold	**7.213.306**	5.773.725
Total	**937.649.418**	850.844.377

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

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

	January 1 – December 31, 2013	January 1 – December 31, 2012
Selling, marketing and distribution expenses	**45.227.895**	36.461.929
General and administrative expenses	**12.566.108**	10.830.316
	57.794.003	47.292.245

Selling, marketing and distribution expenses		
Personnel expenses	**6.290.791**	5.699.000
Doubtful receivable expenses	**2.409.490**	1.726.663
Sales guarantee expenses	**857.385**	658.839
Rent expenses	**667.100**	634.190
Outsourced services	**470.907**	543.351
Traveling expenses	**228.930**	187.309
Depreciation and amortization expenses	**161.974**	149.695
Employee termination benefits	**129.324**	225.939
Taxes, duties and fees	**84.044**	36.121
Other expenses	**1.266.163**	969.209
	12.566.108	10.830.316

	January 1 – December 31, 2013	January 1 – December 31, 2012
General and administrative expenses		
Personnel expenses	**21.459.068**	20.674.597
Consultancy expenses	**5.990.450**	4.192.479
Outsourced expenses	**3.232.820**	2.112.433
Depreciation and amortization expenses	**2.811.870**	2.045.216
Rent expenses	**1.969.010**	1.261.099
Entertainment expenses	**1.933.532**	1.337.441
Employee termination benefits	**1.307.859**	407.570
Travelling expenses	**669.836**	664.544
Taxes, duties and fees	**574.049**	526.453
Insurance expenses	**158.961**	122.229
Various expenses	**5.120.440**	3.117.868
	45.227.895	36.461.929

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

30. Nature of expenses

Depreciation and amortization expenses

	January 1 – December 31, 2013	January 1 – December 31, 2012
Property, plant and equipment		
Production costs	**59.165.555**	53.960.138
General and administrative expenses	**1.913.793**	1.203.272
Selling and distribution expenses	**161.974**	149.695
Other operating expenses	**392.175**	238.430
Total depreciation expenses	**61.633.497**	55.551.535

Intangible assets		
Production costs	**510.286**	800.726
General and administrative expenses	**898.077**	841.944
Other operating expenses	**386.321**	-
Total amortization expenses	**1.794.684**	1.642.670

Personnel expenses

	January 1 – December 31, 2013	January 1 – December 31, 2012
Personnel expenses		
Wages and salaries	**56.630.065**	51.928.820
Other social security expenses	**21.740.480**	20.577.906
Provision for employee termination benefits, net (Note 24)	**3.055.047**	3.054.021
	81.425.592	75.560.747

31. Other operating income / expenses

Other operating income

	January 1 – December 31, 2013	January 1 – December 31, 2012
Operational foreign exchange gains	**7.028.392**	4.259.672
Rent income	**1.497.553**	1.259.297
Gain on sale of auxiliary materials	**917.199**	535.209
Maturity difference income	**750.402**	901.318
Recultivation provision (Note 22)	-	650.827
Reversal of lawsuit provisions	**41.435**	-
Income on waste products disposal	-	20.327
Rediscount income	-	443.837
Other	**2.637.556**	3.021.122
	12.872.537	11.091.609

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

31. Other operating income / expenses (continued)

Other operating expenses (-)

	January 1 – December 31, 2013	January 1 – December 31, 2012
Operational foreign exchange losses	**3.833.835**	3.839.978
Donations	**3.207.997**	3.131.311
Property and estate taxes	**2.446.770**	2.087.874
Nonallowable charges	**1.346.646**	635.995
Rediscount expenses	**1.412.145**	-
Expense of rented terminals	**1.127.397**	1.318.804
Indemnity and punishments	**990.708**	897.569
Recultivation provisions (Note 22)	**351.882**	-
Other	**1.616.797**	1.483.951
	16.334.177	13.395.482

32. Income from investing activities and financial income

As of December 31, 2013 and December 31, 2012, revenues from investment activities are as follows:

	January 1 – December 31, 2013	January 1 – December 31, 2012
Dividend income (*)	**10.925.468**	10.612.285
Gain on sale of property, plant and equipment, net	**1.483.118**	277.864
	12.408.586	10.890.149

(*) As of December 31, 2013 and December 31, 2012, details of dividend income are as follows:

	January 1 – December 31, 2013	January 1 – December 31, 2012
Çimsa	**8.806.787**	9.583.143
Arpaş	**2.118.681**	1.029.142
	10.925.468	10.612.285

As of December 31, 2013 and December 31, 2012, details of financial income are as follows:

	January 1 – December 31, 2013	January 1 – December 31, 2012
Foreign exchange gains	**7.429.411**	16.271.066
Interest income	**563.844**	659.407
	7.993.255	16.930.473

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

33. Expenses from investing activities and financial expenses

As of December 31, 2013 and December 31, 2012, details of expenses from investing activities are as follows:

	January 1 – December 31, 2013	January 1 – December 31, 2012
Loss on sale of property ,plant and equipment, net	**602.275**	273.747
	602.275	273.747

As of December 31, 2013 and December 31, 2012, details of financial expenses are as follows:

	January 1 – December 31, 2013	January 1 – December 31, 2012
Interest expenses	**20.618.531**	19.824.147
Financial foreign exchange losses	**5.553.829**	15.025.510
	26.172.360	34.849.657

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, 2013 and December 31, 2012.

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

As of December 31, 2013 and December 31, 2012, details of deferred tax assets and liabilities are as follows:

	Deferred tax assets (*)		Deferred tax liabilities (*)		Deferred tax income (expense)	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Tax income/expense related with other comprehensive income	-	-	**(6.358.331)**	(4.454.509)	**(1.903.822)**	(670.984)
Temporary differences on property, plant and equipment & intangibles	-	-	**(21.699.892)**	(21.335.588)	**(364.304)**	1.914.264
Allowance for employee termination benefits	3.031.632	3.150.531	-	-	**(118.899)**	(33.726)
Inventories	**4.795.010**	3.853.337	-	-	**941.673**	30.419
Goodwill	-	-	**(25.891.577)**	(25.891.577)	-	-
Other timing differences, net (including renewal fund)	**2.178.821**	1.959.495			219.326	219.695
Recultivation provision	**511.740**	458.278	-	-	**53.462**	(130.165)
Allowance for unearned/ unaccrued interest included in receivables and payables, net	**240.615**	346.834	-	-	**(106.219)**	(88.810)
Tax loss	-	24.151	-	-	**(24.151)**	(321.840)
	10.757.818	9.792.626	**(53.949.800)**	(51.681.674)	**(1.302.934)**	918.853

(*) The net total of these two balances is presented in the balance sheet as deferred tax asset with the amount of TL 1.132.006 (December 31, 2012 – TL 1.160.156) and deferred tax liability with the amount of TL 44.323.988 (December 31, 2012 – TL 43.049.204).

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

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

As of December 31, 2013 and December 31, 2012, details of deferred tax assets and liabilities are as follows:

	December 31, 2013	December 31, 2012
Balance as at January 1,	**41.889.048**	42.807.901
Deferred income tax recognized in income statement	**(600.889)**	(1.589.837)
Tax income/expense related with other comprehensive income	**1.903.823**	670.984
Net balance at December 31, 2013 and December 31, 2012	**43.191.982**	41.889.048

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, 2013, the Company has no carried forward tax losses (December 31, 2012 - TL 127.082)

Income tax payables as of December 31, 2013 and December 31, 2012 are summarized as follows:

	December 31, 2013	December 31, 2012
Current period corporate tax	**38.134.875**	28.922.734
Prepaid tax in current period	**(28.200.779)**	(21.753.917)
Income tax payable	**9.934.096**	7.168.817

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 periods ended December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
Profit before tax and non-controlling interest	**196.946.713**	148.159.128
At the effective statutory income tax rate of 20%	**(39.389.343)**	(29.631.826)
Income exempt from tax	**5.339.735**	5.108.586
Expenses that are not deductible	**(3.215.723)**	(2.783.424)
Other	**(268.655)**	(26.233)
	(37.533.986)	(27.332.897)

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, 2013 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.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

36. Earnings per share (continued)

Earnings per share and dividends per share distributed as follows:

	January 1 – December 31, 2013	January 1 – December 31, 2012
Net income for the period	**157.887.004**	120.033.265
Average number of ordinary shares outstanding (kr 1 each)	**19.144.706.825**	19.144.706.825
Earnings per share (kr) (*)	**0,8247**	0,6270
Dividends distributed	**109.986.341**	88.716.569
Gross dividends per share (kr) (*)	**0,5745**	0,4634

(*) Since all shareholders have same rights and there is not preferred stock, common stock dividend diluted earnings per share amounts do not differ.

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, 2012 – 39,72%) and Heidelbergcement Group (39,72%) (December 31, 2012 – 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.

Related party balances as of December 31, 2013 and December 31, 2012 and related party transactions for the years ended December 31, 2013 and December 31, 2012 comprise mainly following:

						Sales to related parties
	January 1 – December 31, 2013			January 1 – December 31, 2012		
Related party	**Product**	**Service**	**Other(*)**	**Product**	**Service**	**Other (*)**
Shareholders						
Hacı ÖmerSabancı Holding A.Ş.	-	-	**-**	-	**-**	29.050
Financial assets						
Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa)	**5.925.849**	-	**751.528**	6.454.909	-	56.166
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş. (Arpaş)	**-**	**216.097**	**-**	-	217.550	-
Other(**)						
Enerjisa Enerji Üretim A.Ş. (Enerjisa)	**-**	-	**7.076**	-	-	5.380
HC Trading B.V. – Turkey Branch	**4.678.759**	-	**-**	104.276.488	-	-
HeidelbergerCement A.G.	**-**	-	**416.264**	-	62.333	11.027
HC Trading Malta Ltd.	**166.815.821**	-	**-**	93.042.439	-	27.919
Hanson Quarry Products Europe Ltd.	**-**	-	**187.009**	-	93.033	-
Indocement	-	-	**93.457**	-	90.429	-
Afyon Çimento Sanayii ve Tic. A.Ş.	754.245	-	**-**	-	-	-

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

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

37. Related party disclosures (continued)

						Purchases from related parties
	January 1 – December 31, 2013			January 1 – December 31, 2012		
Related party	**Product**	**Service**	**Other(*)**	**Product**	**Service**	**Other(*)**
Shareholders						
Hacı Ömer Sabancı Holding A.Ş.	-	**512.875**	-	-	**493.498**	-
Financial assets						
Çimsa	-	-	**22.992**	-	-	801
Liman İşletmeleri	-	**1.063.047**	**296.724**	-	837.868	333.783
Eterpark End. Ürün. İmal.Tic.İth.İhr Paz.A.Ş.(Eterpark)	-	**686.506**	**110.847**	-	706.557	138.908
Altaş Ambalrıl Liman Tesisleri Tic. A.Ş. (Altaş)	**-**	-	**577.338**	-	-	361.176
Other (**)						
Aksigorta Sigortacılık A.Ş.	-	**6.209.071**	-	-	3.850.948	-
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	**354.436**	**-**	-	221.277	-	-
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	-	**831.489**	**1.430**	-	738.373	205.710
Kardemir Demir Çelik San. Ve Tic. A.Ş.	**299.471**	**-**	**-**	1.559.555	-	-
Avivasa Sigorta A.Ş.	**-**	**183.256**	**-**	-	158.549	-
Teknosa İç ve Dış Tic. A.Ş.	**-**	**-**	**280.486**	-	-	141.887
Ak Finansal Kiralama A.Ş.	**-**	**-**	**82**	-	-	947
S.A.Cimenteries Cbr.	**-**	**595.381**	**40.148**	-	386.286	-
Carrefoursa Türkiye	**-**	**-**	**35.486**	-	-	16.374
HC Trading B.V. – Turkey Branch	**-**	**-**	**10.375**	-	-	421.630
HC Trading Malta Limited	**20.433.562**	**-**	**-**	49.052.787	-	-
HC Green Tradıng Ltd.	**-**	**-**	**-**	-	185.160	-
Enerjisa Elek. Ener. Toptan Satış A.Ş.	**45.343.958**	**-**	**-**	68.699.059	-	-
Çukurova Dış Ticaret A.Ş.	**-**	**320.096**	**-**	-	214.240	89.411
Indocement	**-**	**-**	**-**	-	-	-
Temsa Global Sanayi Ve Ticaret	**-**	**-**	**3.153**	-	-	-

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

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

37. Related party disclosures (continued)

	Due from Related Parties		Due to Related Parties	
	December 31, 2013	December 31, 2013	December 31, 2013	December 31, 2012
Shareholders				
Hacı ÖmerSabancı Holding A.Ş.	-	-	**251.847**	250.707
Total (*)	**-**	**-**	**251.847**	**250.707**
Financial assets				
Arpaş	**23.357**	**14.674**	-	-
Çimsa	13.237	5.998	-	-
Liman İşletmeleri	-	-	**209.878**	**130.559**
Eterpark	-	-	**199.488**	**169.173**
Altaş	-	-	**129.954**	**102.307**
Total (*)	**36.594**	**20.672**	**539.320**	**402.039**
Other(***)				
Aksigorta Sigortacılık A.Ş.	-	-	**237.867**	302.833
HC Trading B.V. – Turkey Branch	-	19.542.560	**-**	277.105
HeidelbergerCement A.G.	16.531	-	**-**	125.472
HC Trading Malta Lmd.	23.429.725	21.399.763	**-**	-
Indocement	106.938	65.091	**-**	-
Hanson Quarry Products Europe Ltd.	188.500	27.126	**-**	-
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	-	-	**79.131**	73.199
Teknosa A.Ş.	-	-	**16.110**	15.545
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	-	-	**27.476**	548.125
Ak Finansal Kiralama A.Ş.	75.799	75.799	**-**	-
Kardemir Demir Çelik San. Ve Tic. A.Ş.	-	987.734	**2.267**	-
Avivasa Sigorta A.Ş.	4.061	-	**-**	76.793
Çukurova Dış Ticaret A.Ş.	-	-	**67.016**	36.593
Enerjisa Elek.Ener.Toptan Satış.A.Ş.	-	293.391	**8.202.232**	-
Carrefoursa	-	-	**-**	-
Temsa Termo Mekanik Sanayi ve Ticaret A.Ş.	-	-	-	881.349
Olmuksa	-	-	-	4.920
S.A.Cimenteries Cbr.	-	-	17.619	-
Total (*)	**23.821.554**	**42.391.464**	**8.649.718**	**2.341.934**
Dividend payable to shareholders	-	-	-	596.431
Personnel	739.689	772.624	1.028.138	784.893
Total (**)	**739.689**	**772.624**	**1.028.138**	**1.381.324**

(*) Presented in "Current trade receivables/payables" accounts (Note 10).
(**) Presented in "Other receivables/payables" accounts.
(***) Related parties of Company shareholders.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

37. Related party disclosures (continued)

As of December 31, 2013, receivables from "Direct debit system" in trade receivables amounting to TL 10.004.672 (December 31, 2012 – TL 7.312.621) are receivables from Akbank T.A.Ş.

	December 31, 2013	December 31, 2012
Banks		
Akbank T.A.Ş.	**11.370.539**	4.118.820
Financial liabilities		
Akbank T.A.Ş.	-	89.351.540

	December 31, 2013	December 31, 2012
Financial expenses to related parties		
Akbank T.A.Ş.	**1.932.244**	6.828.424
	1.932.244	6.828.424
Interest income from related parties		
Akbank T.A.Ş.	**229.878**	72.281
Commission income		
Arpaş	**263.723**	218.975
Donations		
Sabancı Üniversitesi	**77.100**	33.600
Vaksa Hacı Ömer Sabancı Vakfı	**1.947.780**	1.125.000
	2.024.880	1.158.600

Executive members' remuneration

	December 31, 2013	December 31, 2012
Short term benefits provided to executive management	**4.188.165**	3.643.736
Post-employment benefits	**271.741**	399.447
Other long term benefits	**126.163**	215.220
Total benefits	**4.586.069**	4.258.403
Employer's social security premium portion	**90.588**	117.781

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

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, 2013 and December 31, 2012 are TL 18.712.215 long (asset) and TL 5.461.735 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.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

38. Nature and level of risks arising from financial instruments (continued)

Foreign currency position of the Company is as follows:

	Table of foreign currency position					
	Current period December 31, 2013					
	TL equivalent (functional currency)	**USD**	**EUR**	**GBP**	**DKK**	**SEK**
1. Trade receivables	20.855.905	9.710.052	44.863	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	64.169	28.911	839	-	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-
3.Other	-	-	-	-	-	-
4. Current assets (1+2+3)	**20.920.074**	**9.738.964**	**45.702**	-	-	-
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)	**20.920.074**	**9.738.964**	**45.702**	-	-	-
10. Trade payables	2.015.772	-	686.454	-	-	-
11. Financial liabilities	192.087	90.000	-	-	-	-
12a. Monetary other liabilities	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	**2.207.859**	**90.000**	**686.454**	-	-	-
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16 a. Monetary other liabilities	-	-	-	-	-	-
16 b. Non-monetary other liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	-	-	-	-	-	-
18. Total liabilities (13+17)	**2.207.859**	**90.000**	**686.454**	-	-	-
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)	**18.712.215**	**9.648.964**	**(640.752)**	-	-	-
21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	**18.712.215**	**9.648.964**	**(640.752)**	-	-	-
22. Total fair value of financial instruments used to manage foreign currency position	-	-	-	-	-	-
23. Export	**169.572.272**	**92.647.192**	-	-	-	-
24. İmport	**94.093.738**	**41.815.924**	**6.634.597**	**7.123**	-	**204.378**

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

38. Nature and level of risks arising from financial instruments (continued)

	Table of foreign currency position					
	Current period December 31, 2012					
	TL equivalent (functional currency)	**USD**	**EUR**	**GBP**	**DKK**	**SEK**
1. Trade receivables	**32.593.073**	18.164.918	87.261	2.466	-	-
2a. Monetary financial assets (including cash and bank accounts)	63.546	23.497	5.915	2.691	1	87
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	**32.656.619**	**18.188.414**	**93.176**	**5.157**	**1**	**87**
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)	**32.656.619**	**18.188.414**	**93.176**	**5.157**	**1**	**87**
10. Trade payables	2.001.400	-	851.044	-	-	-
11. Financial liabilities	35.956.520	20.170.829	-	-	-	-
12a. Monetary other liabilities	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	**37.957.920**	**20.170.829**	**851.044**	-	-	-
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	160.434	90.000	-	-	-	-
16 a. Monetary other liabilities	-	-	-	-	-	-
16 b. Non-monetary other liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	**160.434**	**90.000**	-	-	-	-
18. Total liabilities (13+17)	**38.118.354**	**20.260.829**	**851.044**	-	-	-
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)	**(5.461.735)**	**(2.072.415)**	**(757.868)**	5.157	1	87
21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	**(5.461.735)**	**(2.072.415)**	**(757.868)**	**5.157**	**1**	**87**
22. Total fair value of financial instruments used to manage foreign currency position	-	-	-	-	-	-
23. Export	**108.880.498**	**60.909.329**	-	-	-	-
24. İmport	**78.721.762**	**41.797.173**	**1.463.949**	**759**	-	**489.828**

(*) The import and export figures comprise January-December periods of the years 2013 and 2012.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

38. Nature and level of risks arising from financial instruments (continued)

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, 2013 and December 31, 2012:

	Foreign currency sensitivity analysis statement	
		Current period- December 31, 2013
	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	2.059.378	(2.059.378)
2- USD denominated hedging instruments (-)	-	-
3- Net effect in USD (1+2)	**2.059.378**	**(2.059.378)**
In case of 10% appreciation of EUR against TL:		
4- EUR denominated net asset/ liability	(188.157)	188.157
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	**(188.157)**	**188.157**
In case of average 10% appreciation of other exchange rates against TL:		
7- Other foreign currency denominated net assets, liabilities	-	-
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	-	-
Total (3+6+9)	**1.871.221**	**(1.871.221)**

	Foreign currency sensitivity analysis statement	
		Prior period – December 31, 2012
	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	(369.429)	369.429
2- USD denominated hedging instruments (-)	-	-
3- Net effect in USD (1+2)	**(369.429)**	**369.429**
In case of 10% appreciation of EUR against TL:		
4- EUR denominated net asset/ liability	(178.228)	178.228
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	**(178.228)**	**178.228**
In case of average 10% appreciation of other exchange rates against TL:		
7- Other foreign currency denominated net assets, liabilities	1.481	(1.481)
8- Other foreign currency hedging instruments (-)	1.481	(1.481)
9- Net effect in other foreign currency (7+8)	-	-
Total (3+6+9)	**(546.176)**	**546.176**

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

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

38. Nature and level of risks arising from financial instruments (continued)

Price risk

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

		Interest position table
	Current period	Prior period
Financial instruments with variable interest rate		
Financial liabilities	-	35.742.607

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

Interest increase		Effect on income before tax
	December 31, 2013	December 31, 2012
%0,5	-	178.260 TL

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.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

38. Nature and level of risks arising from financial instruments (continued)

				Receivables		
Current period		**Trade receivables**		**Other receivables**		
	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)	**23.858.148**	**302.724.458**	**739.689**	**1.782.198**	**15.832.944**	**-**
- Guaranteed portion of credit risk by guarantees, etc.	-	195.391.427	739.689	-	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	23.858.148	296.258.493	739.689	1.782.198	15.832.944	-
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	1.834.252	-	-	-	-
C. Net book value of assets which are overdue but not impaired assets Under guarantee	-	4.631.713	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value))	-	9.906.718	-	-	-	-
- Impairment (-)	-	(9.906.718)	-	-	-	-
- 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	-	-	-	-	-	-
Prior period						
Raporlama tarihi itibariyle maruz kalınan azami kredi riski (A+B+C+D+E) (1)	42.412.136	245.891.544	772.624	8.450.373	13.651.511	-
- Guaranteed portion of credit risk by guarantees, etc.	-	158.491.016	772.624	-	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	42.412.136	240.537.473	772.624	8.450.373	13.651.511	-
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	1.575.012	-	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	3.779.059	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	7.497.228	-	-	-	-
- Impairment (-)	-	(7.497.228)	-	-	-	-
- 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.

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 are used for derivative financial liabilities.

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

January 31, 2013						
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	**394.255.002**	**397.206.257**	**366.428.858**	**144.066**	**30.633.333**	**-**
Bank loans	179.110.921	182.077.805	151.444.472	-	30.633.333	-
Financial lease obligations	192.087	192.088	48.022	144.066	-	-
Trade payables	192.717.127	193.651.457	193.651.457	-	-	-
Employee benefits and other liabilities	11.713.100	11.713.100	11.713.100	-	-	-

January 31, 2012						
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	**386.209.642**	**388.610.089**	**352.375.137**	**36.074.518**	**160.434**	**-**
Bank loans	224.126.580	226.020.808	190.106.724	35.914.084	-	-
Financial lease obligations	374.346	374.346	53.478	160.434	160.434	-
Trade payables	147.071.261	147.577.480	147.577.480	-	-	-
Employee benefits and other liabilities	11.213.237	11.213.237	11.213.237	-	-	-

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, 2013	December 31, 2012
Total debt	**477.112.860**	465.376.896
Less: Cash and cash equivalents (Note 6)	**15.833.231**	13.651.664
Net debt	**461.279.629**	451.725.232
Total shareholder's equity	**1.000.105.548**	923.191.742
Total paid-in share capital	**191.447.068**	191.447.068
Debt to equity ratio	**0,46**	0,49

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

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.

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, 2013, the Company has no outstanding forward contracts in order to hedge the foreign currency risk exposure (December 31, 2012 - None).

Notes to the consolidated financial statements as of December 31, 2013 (Currency - Turkish Lira (TL) unless otherwise indicated)

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

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

As of December 31, 2013 and December 31, 2012, the Company's assets at fair value and its levels are as follows:

Current period	Level 1 (*)	Level 2 (**)	Level 3
Assets as fair value			
Financial assets			
Çimsa	**138.288.383**	-	-
Total assets	**138.288.383**		

Prior period	Level 1 (*)	Level 2 (**)	Level 3
Assets as fair value			
Financial assets			
Çimsa	**110.873.318**	-	-
Total assets	**110.873.318**		

(*) 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.

Dividend Distribution Table

Akçansa Çimento Sanayi ve Ticaret A.Ş. Dividend Distribution Table for 2013 (TL)		
1. Paid-in/Issued capital		**191.447.068,25**
2. General legal reserve (according to legal records)		**111.470.248,20**
Information on any preferential dividend, if any, stipulated by the Articles of Association		**None**
	According to the CMB	**According to legal records (LR)**
3. Profit	196.946.712,95	197.306.901,60
4. Taxes (-)	37.533.986,00	37.501.880,25
5. Net profit for the period (=)	157.887.003,95	159.805.021,35
6. Accumulated losses (-)		
7. General legal reserve (-)	0,00	0,00
8. Distributable net profit of the period (=)	157.887.003,95	159.805.021,35
9. Donations made in the year (+)	3.197.557,59	
10. Distributable net profit of the period including donations	161.084.561,54	
11. First dividend to shareholders		
- Cash	32.216.912,31	
- Free		
- Total	32.216.912,31	
12. Dividend to privileged shareholders		
13. Other dividends; to		
- Board members,		
- Employees,		
- Non-shareholders,		
14. Dividend to bonus shareholders		
15. Second dividend to shareholders	112.183.953,39	
16. General legal reserve	13.482.851,23	
17. Statutory reserves		
18. Special reserves		413.890,88
19. Extraordinary reserves	3.287,01	1.507.413,54
20. Other funds stipulated to distribute		

It has been resolved to submit the 2013 Annual Report according to the principles and rules stipulated by the Ordinary General Assembly that will convene on March 26, 2014; to distribute 196,946,712.95, which is the consolidated profit for the 2013 balance sheet, as general legal reserve pursuant to article 33 of the Articles of Association and CMB communiques; and the distributable net profit of the period of 157,887,003.95, which remains after deducting tax and statutory obligations, and non-controlling shares,

First dividend	32.216.912,31 TL.
Second dividend	112.183.953,39 TL.
General legal reserve (2.)	13.482.851,23 TL.
Extraordinary reserves	3.287,01 TL.
Total	144.400.865,70 TL;

Following completion of the dividend distribution according to the aforementioned principles, to set aside from 157,887,003.95 Turkish lira, which is the distributable net profit of the period of year, 1,507,413.54 Turkish lira as extraordinary reserves and 413,890.88 Turkish lira as special contingency reserve to benefit from the corporation tax exemption for the properties sold in 2013 as stipulated in article 5/1 clause (e) of the Corporate Tax Law. We hereby submit for the approval of the General Assembly the Board of Directors' March 3, 2014 resolution to distribute total cash dividends of 144,400,865.70 Turkish lira at a 75.4260% (gross) and 64.1121% (net) rate as of March 28, 2014 to the shareholders that represent 191,447,068.25 Turkish lira of the capital from the 2013 profits.

Sincerely,
Board of Directors

CONTACT

Company Name : Akçansa Çimento Sanayi ve Ticaret A.Ş.
Company trade registry number : Istanbul Trade Registry Office, 129269
Mersis No : 0229-0003-9470-0017
Corporate website : www.akcansa.com.tr
Capital : The company is subject to the registered capital system with a registered capital ceiling of 500,000,000 Turkish lira and paid-in capital of 191,447,068.25 Turkish lira.

Headquarters : Kısıklı Cad. No:38
Altunizade Üsküdar İstanbul
Switchboard: 0 (216) 571 30 00
Fax: 0 (216) 571 31 11

Cement ve Ready-mix Concrete Facilities:
ÇANAKKALE PLANT
Mahmudiye Beldesi
17640 Ezine / ÇANAKKALE

BÜYÜKÇEKMECE PLANT
PK.1 Mimarsinan Beldesi
34900 Büyükçekmece / İSTANBUL

SAMSUN LADİK PLANT
İskaniye mah.Akpınar Mevkii
Ladik / SAMSUN

İZMİR SALES OFFICE
Ali Çetinkaya Bulvarı No.34/1
K.4 D.402 Alsancak / İZMİR

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

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

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

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

KARAMÜRSEL/YALOVA TERMINAL
Balcı Mevkii SCA Fabrikası içi
Kaytazdere-Altınova / YALOVA

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

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

AYAZAĞA CRUSHED STONE PLANT
Cendere Yolu Önerler Petrol Karşısı
Kemerburgaz-Eyüp / İSTANBUL

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

SİLİVRİ (KENTAŞ) READY-MIXED CONCRETE PLANT
Mimar Sinan mah.Eski Çanta Köyü üzeri
Maksi Market arkası Silivri / İSTANBUL

MERZİFON READY-MIXED CONCRETE PLANT
İstanbul Yolu 1.km Alıcık yolu üzeri
(26.27.H Pafta-291 Ada-5 nolu Parsel)
Merzifon / AMASYA

BURSA AGGREGATE PLANT
Eski Kemalpaşa Yolu üzeri Kayapa Beldesi
Nilüfer / BURSA

MANİSA READY-MIXED CONCRETE PLANT
İnönü mah.Meriç sokak No:16
Muradiye / MANİSA

YARIMCA SALES OFFICE
Rota Limanı Körfez / KOCAELİ

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

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

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

KEMERBURGAZ READY-MIXED CONCRETE PLANT
Cendere yolu Alkanat Rest.karşısı
Kemerburgaz-EYÜP / İSTANBUL

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

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

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

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

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

AMBARLI TERMINAL
Yakuplu Köyü Reşitpaşa Çiftliği Mevkii
Ambarlı /İSTANBUL

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

AGREGA SARAY PLANT
Kavacık köyü Mevkii
Saray / TEKİRDAĞ

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

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

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

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

HOPA TERMINAL
Orta Hopa Mahallesi Liman Caddesi
08600 Hopa/ARTVİN

ÇORUM READY-MIXED CONCRETE PLANT
Ankara Yolu Üzeri Yaydiğin
Mahallesi/ÇORUM

NİLÜFER READY-MIXED CONCRETE PLANT
Eski Kamelpaşa Yolu üzeri Kayapa Mah.
Nilüfer/BURSA

SAMSUN TERMINAL
Organize sanayi bölgesi,
Devlet demir yolları lojistik köyü yanı,
yeşilyurt liman tesisleri içi
Tekkeköy / SAMSUN

KAVAK READY-MIXED CONCRETE PLANT
Kavak - Samsun karayolu Emirli
Taş ocakları yolu 1. km Kavak/SAMSUN

DANAMANDIRA AGGREGATE PLANT
Danamandıra Köyü Silivri/İSTANBUL

AYVALIK READY-MIXED CONCRETE PLANT
Tellikavak Mevkii 39. Sokak No:8/2
Küçükköy Ayvalık /BALIKESİR

SAMSUN SALES OFFICE
Güzelyalı Mah. 3003 Sok. No:2
Çamkoru Sitesi Atakum/SAMSUN

YENİBOSNA CEMENT SALES DEPOT
Köyaltı Mevkii Yenibosna Merkez Mh.
Değirmenbahçe Sk. No.12
Yenibosna/İSTANBUL

SAMSUN III READY-MIXED CONCRETE PLANT
Derecik Mahallesi Ovalar Caddesi 204
Sokak No: 2 İlkadım/SAMSUN

KIRKLARELİ READY-MIXED CONCRETE PLANT
Kocahıdır Mahallesi Pınarhisar Yolu
Şeytan Deresi Mevkii Tolga
Madencilik şantiyesi Kırklareli

ZEYTİNBURNU READY-MIXED CONCRETE PLANT
Yurt-Kur Atatürk Öğrenci Sitesi Merkez
Efendi Mah. Sabri Ülker Sok. No:37
Cevizlibağ Zeytinburnu/İstanbul

SAMSUN AGGREGATE PLANT
Çamlıyazı Köyü mevkii
Atakum/SAMSUN

TUZLA PLANT
Koray İnşaat E5 karayolu Üzeri
Paşabahçe Fabrikası Arkası
Piri Reis cad. Tuzla/İstanbul

POYRAZKÖY READY-MIXED CONCRETE PLANT
3. Köprü Asya Ayağı Yaros Kalesi Mevkii
Poyrazköy/İstanbul

ÇATALCA MURATBEY READY-MIXED CONCRETE PLANT
Muratbey Mahallesi 805. Parsel
Büyükçekmece/İstanbul

GARİPÇE READY-MIXED CONCRETE PLANT
Garipçe Köyü 3. Köprü Ayağı
Sarıyer/İstanbul

EYÜP READY-MIXED CONCRETE PLANT
İçtaş Odayeri Otoyol Şantiyesi
Odayeri Köyü Eyüp/İstanbul

ÇEKMEKÖY READY-MIXED CONCRETE PLANT
Üsküdar Metro Projesi Araç Depo
Sahası İstanbul Şile Otoyolu Aquacity
Yanı Parseler Mah. Ümraniye/İstanbul

İÇTAŞ USKUMRUKÖY READY-MIXED CONCRETE PLANT
Kuzey Marmara Otoyol Şantiyesi
Uskumruköy Sarıyer /İstanbul

ÇANAKKALE SALES OFFICE
İnönü Caddesi ÇTSO İş Merkezi
No:141 Daire 14-15 Çanakkale