

..... **Strong Foundation**
for Future Generations



2014

AKÇANSA

2014 | Annual Report



The photos used in this report are taken from Onur Akmanlar's book, "**Savaşın Hatıraları Çanakkale'den Yadigar (Memories of War Relics of Çanakkale)**", published with the sponsorship from Akçansa.

A century ago...

The foundations were laid, and they remain as sound as the first day, thanks to the spirit of fighting, the strength this provides, and everything that arises from strength. Everything that was done... Was for future generations.

Besides the land, this spirit of courage and defiance may be the greatest legacy of our heroes, ancestors, grandfathers and grandmothers.

We have never given up struggling together and are always gaining strength. We work for this land and for future generations. We lay strong foundations. We gain strength from them, from this land and from Çanakkale.

We realize that no matter what we achieve, it will pale in comparison to the sacrifices they made. Nevertheless, we too have many goals: leave something behind for the next generations by pushing ourselves, remaining resolute, always collaborating and always staying together. Perhaps in this way we will have paid our debt of gratitude and become grandchildren worthy of their greatness.



Akçansa is proud to have been at Turkey's service at Çanakkale and across the country for 41 years.

A century later...

**With the pride and joy of being
for the past 13 years
TURKEY'S MOST ADMIRER COMPANY**



We are thrilled to have again been named the cement industry's most admired company in the Capital Magazine's annual **Turkey's Most Admired Companies** survey.

 facebook.com/akcansa  Akcansa



WE ARE PROUD!

Akçansa is a Sabancı Holding and HeidelbergCement joint venture; it is Turkey's largest cement and ready-mix concrete producer and an industry leader. Akçansa was established in 1996 following the merger of Akçimento (founded in 1967) and Çanakkale Çimento (founded in 1974). Akçansa operates in the Marmara, Aegean and Black Sea regions, producing cement and clinker at three plants located in Istanbul-Büyükdere, Çanakkale and Samsun-Ladik. The company also has six cement terminals, located in Istanbul-Ambarlı, İzmir-Aliağa, Yalova, Samsun, Yarımcı and Hopa. Akçansa began operating under the "Betonsa" brand following its merger with Betonsa in 1998. It produces ready-mix concrete in 40 facilities throughout the Marmara and the Aegean regions. Following a merger in 2002 with affiliate "Agregasa" Agregas, the company has continued operations under the Agregasa' brand at three plants in Istanbul. Akçansa strives to offer the highest quality of production and service with the objective of meeting both domestic and foreign demand. It offers a competitive advantage by not solely focusing on price. Akçansa meets 10 percent of Turkey's cement requirements and adheres to global quality standards. The company has received an award from the Istanbul Chamber of Industry (ICI) in recognition of its service excellence and environmentally-friendly approach at its state-of-the-art production facilities.

CONTENTS

5	Company Profile	26-27	Sales and Marketing
6	Contents	28	Production
7	Agenda	30-31	Investments
8	Accomplishments and Awards	32	Products
10-11	Financial and Operational Indicators	36-41	Ready-Mix Concrete and Aggregate
12	Capacity of the Facilities	44	Social Responsibility
13	Vision - Mission	46-49	Human Resources
14	Message from the Chairman of the Board	52-77	Corporate Governance Principles Compliance Report
16-17	Board of Directors	78-152	Independent Auditor's Report
18-19	Executive Committee	153	Dividend Distribution Table
22-23	Cement Operations	154	Contact

Agenda

25 March 2015 Ordinary General Meeting

1. Opening and formation of the Executive Board,
2. Reading and discussion of the 2014 Annual Report of the Board of Directors,
3. Reading the 2014 Auditor's Report,
4. Providing information to the General Assembly regarding donations and grants made in 2014,
5. Reading, discussion and approval of the 2014 financial statements,
6. Discharge of Board of Directors from liability for the 2014 financial year,
7. Determining the manner to use the 2014 profits, and the dividend and gain rates,
8. Approving the company's Donations and Grants Policy,
9. Setting the donation limits of the company in 2015,
10. Establishing board member remunerations and rights, such as attendance fees, bonuses and incentives,
11. Submitting for the approval of the General Assembly the elected members to serve for the remaining duration in the board of directors posts which were vacated in the operating year,
12. Electing and determining the term of office of Board of Directors whose tenure has expired,
13. Selecting the auditor.
14. 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.

2014 Achievements & Awards

- Voted "Turkey's Most-Admired Company" in the cement sector for the 13th time in the "Turkey's Most-Admired Companies 2014" survey, conducted by Capital magazine and GfK
- Maintained its lead in the cement industry, moving up 14 places to 61st in the "Turkey's 500 Largest Industrial Corporations" survey, conducted in 2012 by the Istanbul Chamber of Industry (ICI).
- As part of the 5th Sabancı Golden Collar Awards, it took awards in three different categories; first prize in the "Market Orientation Individual Subcategory" and the "Synergy Corporate Subcategory," and honorable mention in the "Value Driver Category."
- Received the first prize in the "Sustainable Production" category in the Productivity Project Awards, organized by the Ministry of Science, Industry and Technology.
- 14. Voted the "Most-Admired Company" in the industry for the 13th time. 100+Concrete product won the ICI award in the most innovative and environmentally-friendly product category.
- Akçansa puts people at the center of all operations with the goal of zero workplace accidents. The company again broke new ground in Turkey by launching the Occupational Health and Safety Academies in the Büyükçekmece and Çanakkale plants.
- Ready-mix concrete supplier for the third bridge project, the Garipçe plant collected the second prize in the 5th Green Point Environment Competition and won the International ERMCO Representation Award. Akçansa was recognized as the only company to receive a project-based award in the history of the competition.

Sustainability

As it forges ahead with operations carried out as part of the sustainability journey, Akçansa published its third Sustainability Report in accordance with the GRI G4 principles as part of the vision of new productivity projects in 2015. The company signed the UN Global Compact, an innovative corporate responsibility approach that sets forth universal principles.

This year, as it has done in the past four years, Akçansa laid the groundwork in Turkey by voluntarily participating in the Carbon Disclosure Project (CDP), the world's most prestigious and eminent environmental initiative. With 76 points, it ranked as one of the most transparent companies.

- In 2014, Akçansa increased the use of alternative fuels by 23 percent in pursuit of maintaining its leadership in operations involving the use of alternative fuel and raw materials, which is critical in protecting the environment and natural resources.
- Biodiversity Project competition went on record as the first initiative aimed at creating a difference by assessing new projects from young people regarding rehabilitation and reorganization of mine sites.
- Neighbor Councils were held with the objective of listening to neighbors and including them in decisions with stakeholder participation.



Financial And Operational Indicators

International sales

In 2014, Akçansa's exports totaled 1.2 million tons with a 33 percent decrease year-on-year.

Domestic Sales

Domestic sales rose to 6.3 million tons with a 7 percent increase in 2014.

248,8

Net Profits (million TL)

1.410,9

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%

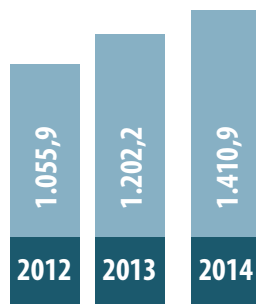
HeidelbergCement Mediterranean
Basin Holdings, S.L.

20.56%

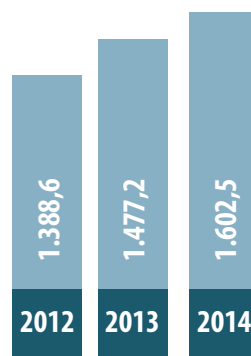
Other - Public Shares

Sales (million tons)	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Cement - Total	6,6	6,8	6,3	6,8	6,8	20%	3%	-7%	8%	0%
Domestic	4,8	5,3	5,1	5,9	6,2	20%	10%	-4%	16%	5%
International	1,8	1,5	1,2	0,9	0,6	20%	-17%	-20%	-25%	-33%
Clinker - Total	1,1	0,9	1,2	0,9	0,7	-8%	-18%	33%	-25%	-22%
Domestic	0,1	0,1	0,1	0,0	0,1	-50%	0%	0%	-100%	100%
International	1,0	0,8	1,1	0,9	0,6	-0%	-20%	38%	-18%	-33%
Ready-Mix Concrete (million m3)	5,0	5,2	5,0	4,8	4,7	22%	4%	-4%	-4%	-2%
(million TL)										
Net Sales	817,4	1.010,0	1.055,9	1.202,2	1.410,9	15%	24%	5%	14%	17%
EBITDA	132,2	192,7	214,8	270,2	389,8	-21%	46%	11%	26%	44%
%	16,20	19,10	20,34	22,48	27,63	-7%	3%	1%	2%	5%
EBIT	77,8	139,1	157,8	206,8	324,4	-30%	79%	13%	31%	57%
%	9,5	13,8	14,9	17,2	23,0	-6%	4%	1%	2%	6%
PROFITABILITY										
NET PROFIT	59,3	100,3	120,0	157,9	248,8	-21%	69%	20%	32%	58%
Earnings per Share	0,31	0,52	0,63	0,82	1,30	-21%	68%	21%	32%	58%
Dividend Per Share %	20,40	46,34	57,45	75,43	1.18,20	-14%	26%	11%	18%	43%
NET FINANCIAL DEBT	160,5	133,3	210,5	163,5	85,0	8%	-17%	58%	-22%	-48%
EQUITY CAPITAL	830,3	862,9	911,5	987,6	1.143,0	3%	4%	6%	8%	16%
TOTAL ASSETS	1.231,8	1.278,5	1.388,6	1.477,2	1.602,5	6%	4%	9%	6%	8%

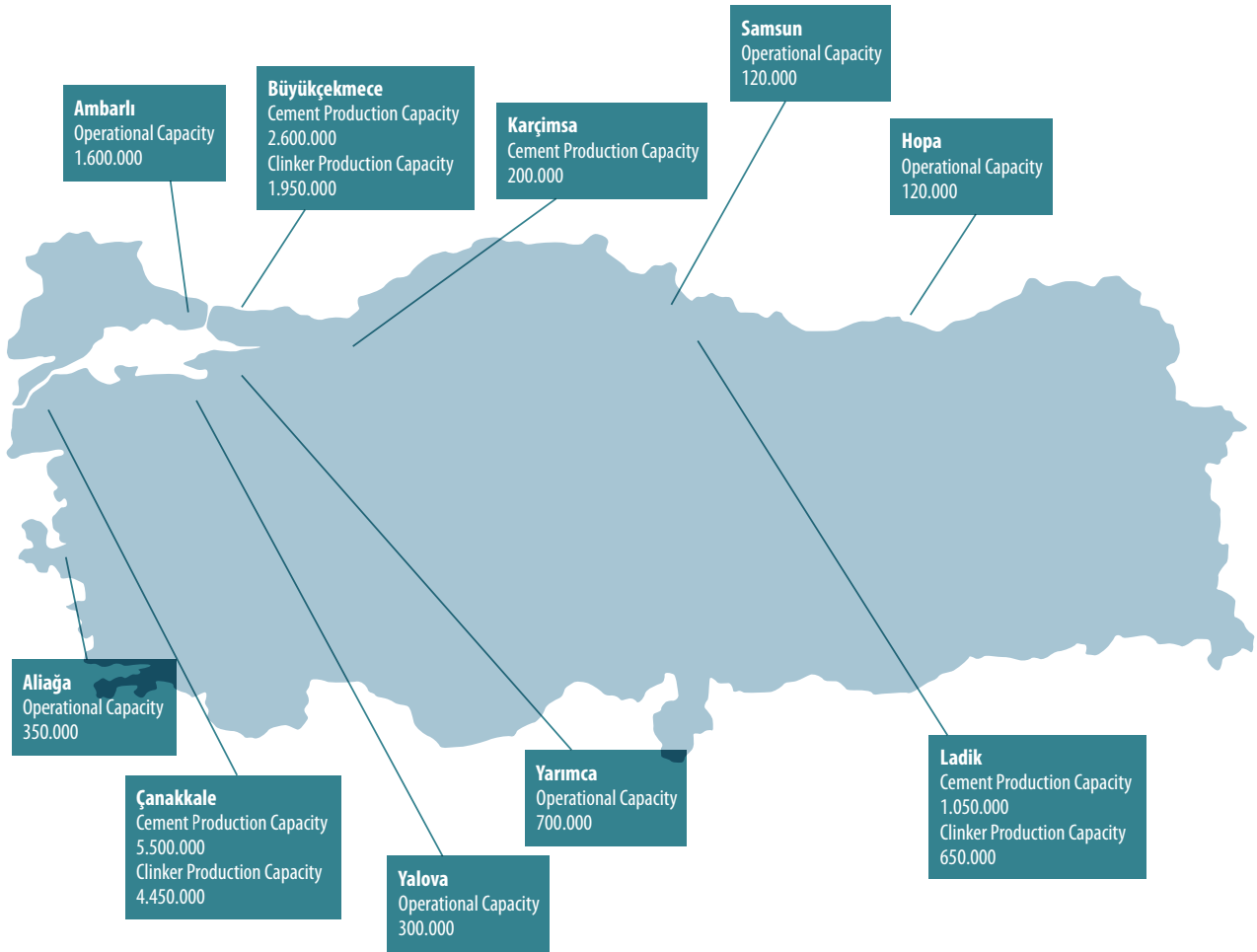
Net Sales
(million TL)



Total Assets
(million TL)



Facility Capacities (Tons/Year)



Production Capacity

9 (million tons)
Cement

7 (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



Akçansa completed another year with successful results produced by the steps we had taken in the past to achieve sustainable growth. We continued to grow by creating value-based competition in all the markets we operate in, domestic markets in particular. In 2014, the company achieved great feats with production-focused investments, efficiency and sustainability-focused efforts in all business segments, and record sales.

In addition to the new housing projects, as well as ongoing and new mega projects, the Turkish cement industry is also increasing sales in parallel with the growing construction industry with rising momentum in urban transformation.

In 2014, production by Akçansa accounted for nearly 9 percent of Turkey's cement requirement. Cement and clinker sales hit a record 6.3 million tons domestically, while reaching 1.2 million tons abroad. Despite of rising income, Akçansa reduced working capital considerably, earning revenues of nearly 1.41 billion Turkish lira.

Akçansa has further advanced its position in the industry, producing the special concrete and cement to be used in Istanbul's 3rd Bosphorus Bridge, a major project the company is a partner in.

With an innovative production approach to the ready-mix concrete industry, Betonsa recorded total sales of 4.4 million cubic meters of ready-mix concrete, thanks to special products and superior equipment rating in large-scale projects, as well as a first-rate workforce. In 2015, we will continue to pursue customer-centric efforts to improve the share of special product sales, currently at 7.5 percent.

Akçansa increased profitability by expanding the port services business line by 18 percent, while continuing operations with the goal of sustainable and low-cost supply change management.

Occupational Health and Safety Academies were launched at the Büyükçekmece and Çanakkale plants, highlighting an important develop towards the target of zero workplace accidents, a critical part of the company's people-centric endeavors. A first for Turkey, the centers aim to provide 80,000 hours of training annually to 5,000 people, including business partners and suppliers. H&S Academy that will be built at the Ladik plant is planned to be opened in the first half of 2015.

Turkey's leader in alternative fuel and raw material use, Akçansa posted a 23-percent increase in the use of alternative fuels with continued efforts. The company published its Sustainability Report in compliance with the GRI G4 principles, and also signed in 2014 the UN Global Compact, an innovative corporate responsibility approach that sets forth universal principles.

There were developments that made Akçansa extremely proud in 2014. According to the Carbon Disclosure Project (CDP) 2014 results, Akçansa is one of the most transparent companies this year with 76 points. The company improved its standing by 14 places to reach number 61 in the "Turkey's 500 Largest Industrial Corporations" survey, conducted by the ICI. It was voted the "Most-Admired Company" in the industry for the 13th time. 100+Concrete product won the ICI award in the most innovative and environmentally-friendly product category. At the Sabancı Golden Collar Awards it took first prize in the "Market Orientation" and "Synergy" categories, and gained an honorable mention in the "Value Driver" category.

I thank our personnel for their contribution to these achievements, and extend my gratitude to our business partners and customers who always stand by us to offer support, and to our stakeholders who always trust in us.

On the centenary of the Çanakkale victory, we remember Mustafa Kemal Atatürk and those who sacrificed their lives for this land. We are immensely proud to have been able to call Çanakkale our home for the past 41 years.

Best regards,

Hakan Gürdal
Chairman of the Board



Board Of Directors



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

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.

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.

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.

*To be submitted for the approval of the General Assembly. Board Member Faruk Bilen is not shown in the photo



Hayrullah Hakan Gürdal
Chairman of the Board of Directors

Appointed on September 1, 2014.
Born in 1968, Hakan Gürdal received his bachelor's degree in mechanical engineering, followed by master's degree in both business administration and economics. He began working at Çanakkale Çimento in 1992. Gürdal 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. He took up the post as the General Manager of Akçansa on August 1, 2008 and as the Chairman of the Board Directors on September 1, 2014.

Mehmet Hacıkamiloğlu
General Manager

Appointed on September 1, 2014
Born in 1969, Mehmet Hacıkamiloğlu received his bachelor's degree in construction engineering from Boğaziçi University, and completed the international business administration post graduation program at İstanbul University and the executive-MBA program at Sabancı University. Mehmet Hacıkamiloğlu began his career at the Sabancı Group as the Plant Manager at Betonsa, and then continued as the Investment and Planning Specialist at the same company. He served as the Strategy Development and Planning Manager at Akçansa between 1997-1999, as the Managing Director of Agregasa between 1999-2001, as the Financial Coordinator at Akçansa for two years, and as the Assistant General Manager (Finance and Administrative Affairs) at Çimsa respectively. He was appointed as the General Manager of Çimsa on July 1, 2006, and as the General Manager of Akçansa Çimento Sanayi ve Ticaret A.Ş.

Ali Emir Adıgüzel
Member

(Term of office: 2012-2015)* Emir Adıgüzel was born in İzmir 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.

İcra Komitesi



Mehmet Hacıkamiloğlu General Manager

His background information is on the Board of Directors page.

Umut Zenar Assistant General Manager (Sales and Marketing)

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.

Ali Kipri Assistant General Manager (Operations)

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.

Ozan Erinçkan Assistant General Manager (Purchasing and Logistics)

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.

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.

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 Mannheim, 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. Dr. Sauerland was appointed as the Assistant General Manager in charge of Finance at Akçansa in November 2012.



Özgür Bek

Assistant General Manager Ready-mix Concrete & Aggregate

Appointed on August 11, 2014.

Born in 1971, Özgür Bek received his bachelor's and master's degrees in chemical engineering at Boğaziçi University, and began his professional career in 1996. He served as in various executive positions in production and sales departments at Erciyas Bira Pazarlama A.Ş., Kraft Gıda, Eczacıbaşı Girişim Pazarlama A.Ş. and Philip Morris before joining Akçansa on August 11, 2014. Bek currently performs his duties as the Assistant General Manager in charge of Ready-mix Concrete and Aggregate at Akçansa.

Okay Kılınc

Çanakkale Plant Manager

Okay Kılınc 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 Çanakkale Plant in 14 June, 2014

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.

Alican Karlıdağ

Büyükçekmece 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 Gürış 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. After working as Ladik Factory Manager, he appointed as The Büyükçekmece Factory Manager as from the date of 01.07.2014.

Cevat Katar

Ladik Plant Manager

Appointed on July 1, 2014.

Born in 1970, he received his bachelor's degree in chemical engineering from Atatürk University in 1992. Cevat Katar began his professional career at Aşkale Çimento in 1995 and worked at various positions at the Quality Control and Production departments until 2005 before joining Akçansa in 2006. Subsequently, he served as the Quality and Development Manager, and then as the Production Manager at the Akçansa Ladik plant, and as the Clinker Production Manager at the Çanakkale Plant respectively before being appointed as the Akçansa Plant Manager on July 1, 2014.

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.

An Unbreakable **Bond!**





For as long as each generation creates
heroes who sacrifice their lives for this
land its people, the bond with the heroes
of Çanakkale will not be broken for a
millennium, let alone a century, even if we
did not get to know them in person.

Cement Operations

The Turkish Cement Manufacturers' Association (TCMA) data puts cement production in Turkey at 71.2 million tons in 2014, with a two percent decrease year-on-year. Clinker production rose by 2 percent to reach 62.5 million tons in total.

In the period, domestic cement consumption rose to 63.2 million tons - a 1.5 percent hike with the inclusion of data from TCMA member plants. On the other hand, total consumption grew by 1.6 percent to reach 64.6 million tons when non-TCMA members are included in the total.

According to a regional analysis of the 2014 domestic market in Turkey, the most significant rise in cement consumption was recorded in the Black Sea Region, with 7.5 percent. The rates of increase in other regions were 1.6 percent in the Mediterranean, 3.2 percent in the Southeastern Anatolia, 4.4 percent in the Marmara,

4.2 percent in the Eastern Anatolia, 1.8 percent in the Central Anatolia, and 6.5 percent in the Aegean regions respectively. The Marmara Region's cement consumption accounted for 27 percent of Turkey's total cement consumption in 2014.

Turkey's cement exports fell to 7.7 million tons with a decrease year-on-year in 2014. Meanwhile, clinker exports soared by 31 percent with sales of 2.9 million tons. The majority of these exports are comprised of sales to countries such as Libya, Syria, Egypt, Israel, Iraq, as well as to West African countries.

Cement Production and Consumption in Turkey (million tons)*

Production	Domestic	Consumption
2009	54,0	40,0
2010	62,7	47,7
2011	63,4	52,3
2012	63,9	53,9
2013	72,7	62,2
2014	71,2	63,2

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

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

	Cement	Clinker	Total
2009	15,6	3,9	19,5
2010	15,1	2,8	17,9
2011	11,2	2,4	13,6
2012	9,7	2,8	12,5
2013	9,7	2,2	11,9
2014	7,7	2,9	10,5

** Including data from TCMA member producers.*

Accomplishments at Akçansa...

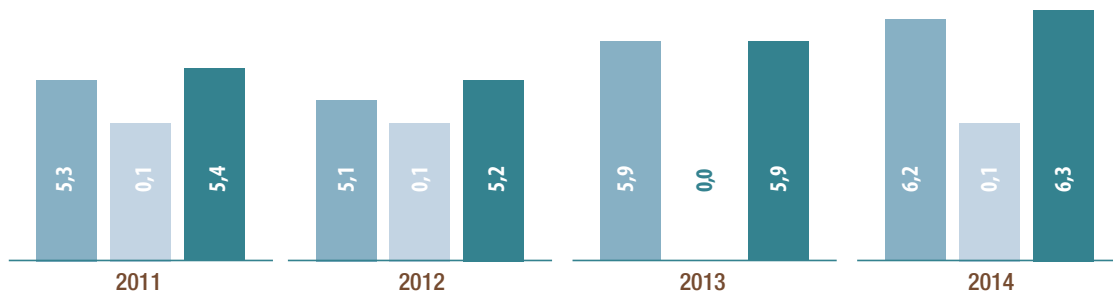
Sales

In 2014, Akçansa's domestic cement and clinker sales rose by 7 percent to 6.3 million tons. The total exports declined to 1.2 million tons with a 33 percent drop year-on-year.

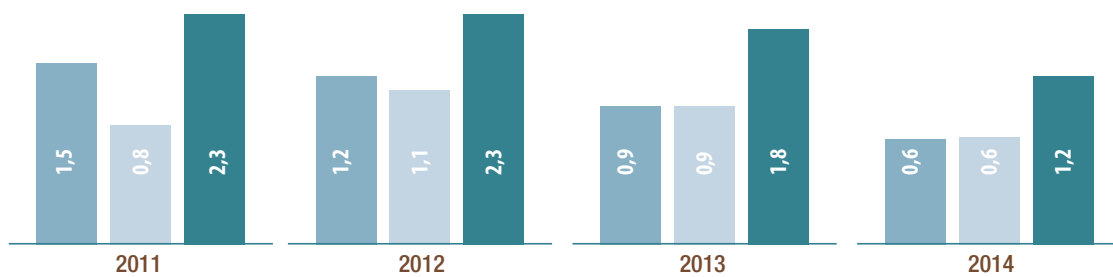


Domestic Sales (million tons)

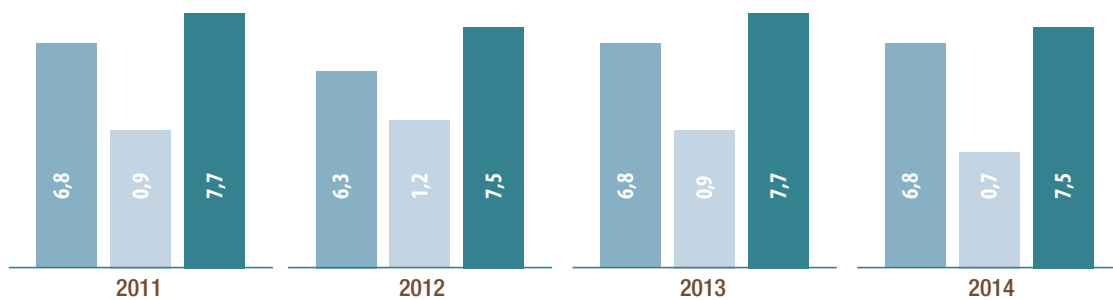
■ Cement ■ Clinker ■ Total



Exports (million tons)



Total Sales (million tons)



If we are able dream about a better future, it is because the heroes of Çanakkale sacrificed their dreams and most importantly, their lives.



The background is a collage of aged, yellowed, and stained papers. In the top right, there is a torn piece of paper with a circular stamp that includes the text 'DE LARRINAGA'. In the bottom left, a portion of a dark, possibly metal, circular object is visible. The word 'Sacrifice...' is written in a large, bold, black sans-serif font across the center of the image.

Sacrifice...

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 "Golden Collar Award" at the 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.

Akçansa B2B Marketing Summit

A panel of experts discussed "Going Digital in B2B" at the marketing summit hosted by Akçansa this year. Executives from all areas of the business world, as well as marketing directors and academics, were among more than 600 guests of the summit held at the Sabancı Center, Hacı Ömer Sabancı Conference Hall on November 18, 2014.

Brand consultant Temel Aksoy moderated the summit as the issue of going digital in B2B was tackled from different perspectives by Akçansa General Manager Mehmet Hacıkamiloğlu, Technology and Trend Editor M. Serdar Kuzuloğlu, Futurist Ufuk Tarhan, Shell Turkey Country Chairman Ahmet Erdem, Schneider Electric Turkey General Manager Bora Tuncer, Olmuksan International Paper General Manager Ergun Hepvar, and Sabancı Holding Cement Group President Hakan Gürdal.

Akçansa Business Partners Convene in Argentina

The Akçansa Traditional Business Partners Convention was held in Argentina in February with participation from nearly 110 business partners to discuss Akçansa's recent projects, evolving marketing approach, and company objectives.



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.



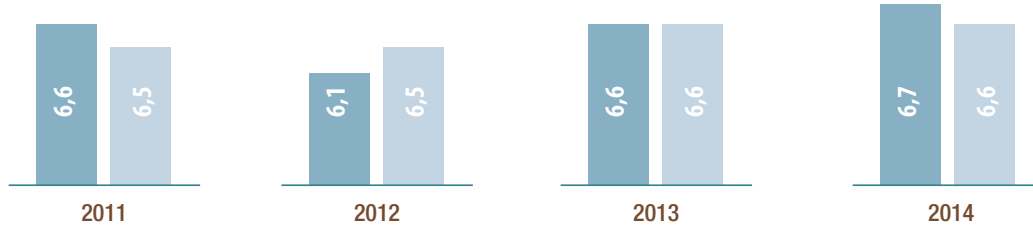
Production

Büyükçekmece, Çanakkale and Ladik plants of Akçansa produced a total of 6.6 million tons of clinker and 6.7 million tons of cement in 2014. These figures accounted for 10.5 percent and 9.4 percent of total clinker and cement production respectively. All Akçansa production operations fully adhere to the OHSAS 18001 occupational health and safety 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.

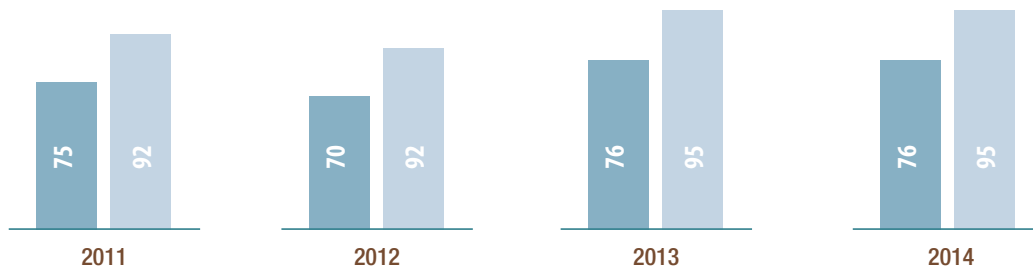
Production (million tons)

Cement Clinker



Capacity Utilization Rate %

Cement Clinker



Occupational Health and Safety

Turkey's leading cement and ready-mix concrete producer Akçansa is an authority in the country, not only through the economic value it adds to the land, but also through the importance it attaches to the welfare of its employees with the Occupational Health and Safety H&S program. The H&S academies opened in the Çanakkale and Büyükçekmece plants in 2014 and the Ladik plant due for launch in 2015 are prime examples of this.

The Akçansa H&S Academy is a training center in which Akçansa Golden Rules are explained in theory and practice. The rules encompass the Best H&S practices around the world, national and international standards, and the Occupational Health and Safety Law in Turkey. The Golden Rules have been set by identifying the dos and don'ts, and handling each topic item by item. The goal was to establish a short and easy link between theoretical information and practice. H&S Academies intend to provide nearly 80,000 hours of training to 5,000 employees annually throughout Akçansa.

The level Akçansa aspires to achieve in H&S comprises of improving employees' awareness for the H&S culture and

instilling a risk-aware approach that is preventive rather than corrective, not only in business life, but also in daily life.

Even though 2014 results are a lot better in comparison to 2013 indicators, efforts continue unceasingly so as to attain the "Zero Accidents" target.



Leading H&S Performance Indicators for 2014.

People Received Training	4.493
Behavior-Focused Audits	233
Risk Warnings	9.816
Field Inspections	1.539

Investments

The building of Istanbul's 3rd Bosphorus Bridge is one of the major projects in which Akçansa has participated as a partner. Akçansa produced special concrete and cement to be used on a bridge that broke ground on May 29, 2013 as Turkey's longest concrete bridge, as well as the world's second highest, and the widest with a rail system on it. A total of 720,000 cubic meters of ready-mix concrete – 290,000 cubic meters for the 3rd Bosphorus Bridge and 430,000 cubic meters for the Northern Marmara Highway – have been poured, and the bridge piers have been constructed. The project is an outstanding engineering feat that has been completed in a span of 18 months, with zero accidents according to the H&S targets. With the cement it is producing for the 3rd Bosphorus Bridge, set to be the second highest in the world with a pier height of 322 meters, Akçansa has proven its capacity to produce concrete with a lifespan of 100 years and more with the strength to withstand all physical and chemical effects. Akçansa's consolidated investment expenditures in 2014 were 113.7 million TL.

Büyükçekmece Plant

- H&S Academy Center, a first in cement plants in Turkey, is set for opening in May 2014. 80,000 hours of training are planned for 5,000 people annually.
- The coal stock field at the Büyükçekmece plant has been covered completely, and the same will be done for material stock field in 2015.
- Energy efficiency has been achieved by changing the flue gas fans on the number 2 and 3 clinker production lines at the Büyükçekmece plant. Meanwhile, flue gas fan on the number 1 clinker production line will be changed in 2015, and clinker production will continue with low energy consumption.
- Fuel efficiency has been achieved by cutting down the distance traveled as a result of changing the location of the plant's entry gate to receive raw materials. The new gate also bestowed the plant with a fresh look..

- Furnace seal system on number 2 clinker production line at the Büyükçekmece plant has been revamped. Thus, cutting costs through less electricity and fuel consumption.

- A LED information screen has been placed at the personnel entrance of the Büyükçekmece plant. The screen provides recent information on the plant, as well as emission amounts on the furnace chimneys and the waste burned in the furnaces.

- The "Recycled Fuel Use in the SLC-Type Calciner and Reduction of Coal Use by Burning Industrial Plastics" on the number 2 clinker production line at the Büyükçekmece plant took the first prize in the Sustainable Efficiency category in the first "Sustainable Project Awards" organized by the Ministry of Science, Technology and Industry.



Çanakkale Plant

- The second H&S Academy was launched in July.
- The number 1 line cooling at the Çanakkale plant was replaced with new generation polytrack-type cooling in December. Cyclones, deployment and the ramp have been modified at the ramp. The furnace entry seal has been replaced with the ITECA type seal. It became operational in January 2015. Sources of stoppage and environmental impact have been reduced, and efficiency has been improved.
- Number 1 and 2 burners at the Çanakkale plant have been replaced with the low-primer and adjustable Novaflam burners.
- In 2014, ASTM C-150 TYPE I-II/Low alkaline cement trial production tool place.

Ladik Plant

- Energy savings have been achieved through modifications on the second chambers of cement mills.

- The Ladik plant purchases energy based on the distribution system tariffs. In order to become a power transmission line user and purchase energy based on the more advantageous power transmission line price list, a 154 kV power transmission line and switching station is planned and set to be completed in 2015.

Dust emission has been cut down to below 10 mg/Nm³ as a result of the bag-filter investment to replace process filters, which are electro-filters.

New indoor coal stock hall has been built, preventing the coal to be lost to the environment through rain or wind.

An automatic silobus washing system has been built to wash silobus trucks after loading.

An automatic truck tire washing system has been created to prevent coal dust from being dispersed into the environment through the trucks leaving the indoor coal stock hall.

An H&S Training Center has been planned for opening in the first half of 2015.



Domestic Market

Domestic Market

Type	Name	Standard
Clinker	Clinker	TS EN 197-1
Cement	Sulphate Resistant Cement Clinker	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 IV/B (P) 32,5 N	Portland Composite Cement	TS EN 197-1
CEM IV/A (P) 42,5 N-LH/SR	Sulphate Resistant Pozzolan Cement	TS EN 197-1

Dış Pazar

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 Pozzolan 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 IV/A (P) 42,5 N-SR	Sulphate Resistant Pozzolan Cement	TS EN 197-1

Product Certificates

CE Product Certificate	CE Certificate of Conformity from the Council for Quality and Environment (CQE) for CEM I 42.5 R i	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
CE Product Certificate	TSE Certificate of Conformity for CEM I 52.5 N	TS EN 197-1
CE Product Certificate	TSE Certificate of Conformity for CEM II/A-LL 42.5 R	TS EN 197-1
CE Product Certificate	TSE Certificate of Conformity for CEM II/B-M (P-L) 32.5 R	TS EN 197-1
CE Product Certificate	TSE Certificate of Conformity for CEM II/A-LL 42.5 R	TS EN 197-1
CE Product Certificate	TSE Certificate of Conformity for CEM II/B-M (P-L) 32.5 R	TS EN 197-1
CE Product Certificate	TSE Certificate of Conformity for CEM V/A (S-P) 32.5 N	TS EN 197-1
Product Certificate	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.

www.akcansaport.com

The world is a smaller place with our ports.

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

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

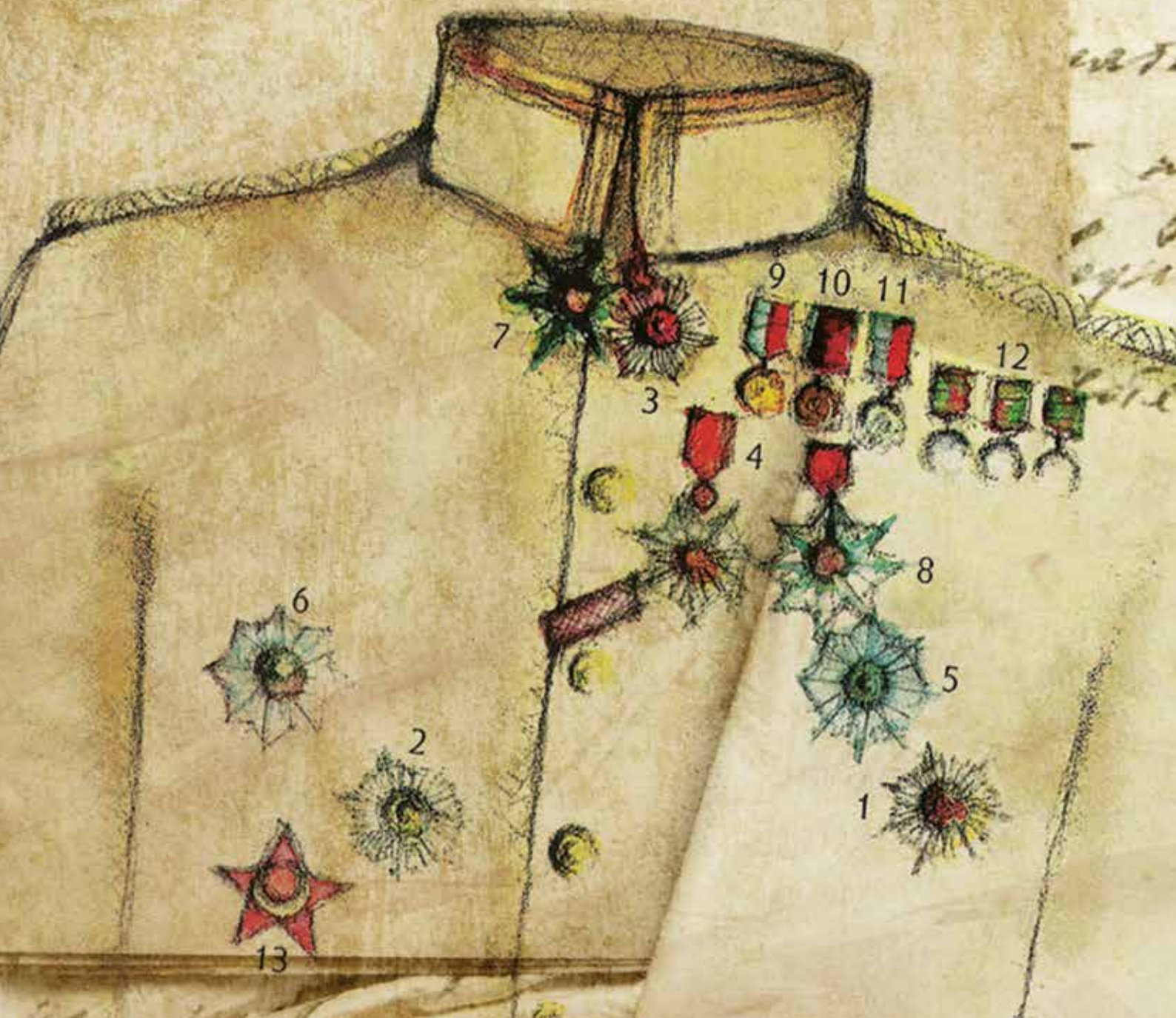
Akçansa is a major player at the Ambarlı port, providing third parties and companies with complete port services. It supports the shipping needs of many organizations and makes a contribution to Turkish economy. Ports operate 24-hours, allowing the safe delivery of products at desired locations, on time.





The fighting spirit that has been engraved on every inch of Çanakkale's land has taught us to work tirelessly so as to continually achieve the best.

Fighting Spirit...



Ready Concrete and Aggregate Operations

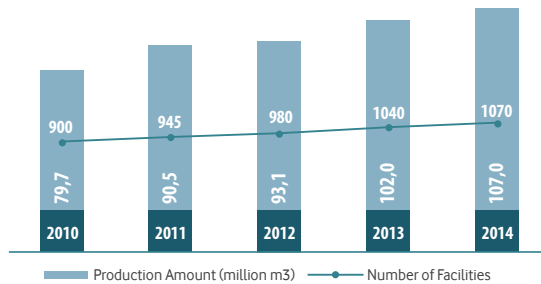
Accomplishments in the Industry

The Ready-Mixed Concrete Union of Turkey (THBB) data put the growth rate in the ready-mix concrete industry at 5 percent in 2014. Ready-mix concrete production rose to 107 million cubic meters in 2014, up from 102 million cubic meters in 2013. Construction industry accounted for 6 percent of GDP in 2014.

Ready-Mix Concrete Industry in Turkey	2010	2011	2012	2013	2014
Number of Facilities	900	940	980	1.050	1.070*
Production Amount (million m3)	79,7	90,4	92,5	102,0	107,0*

* Tahmini verilerdir.

Ready-Mix Concrete Industry in Turkey



Accomplishments at Akçansa

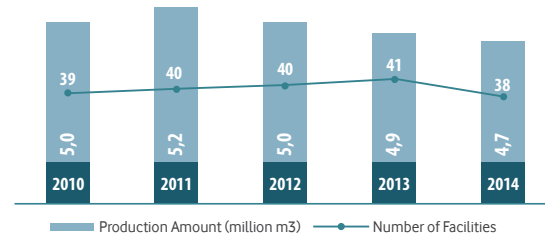
Betonsa Sales

In 2014, Betonsa sold 4.7 million cubic meters of products in 38 facilities through successful Akçansa ready-mix concrete operations in the Marmara, Aegean and Black Sea regions. In the same year, Akçansa acted as a partner in important projects by focusing gradually more on customer-centric projects.

Betonsa	2010	2011	2012	2013	2014
Number of Facilities	39	40	40	41	38
Production Amount (million m3)	5,0	5,2	5,0	4,9	4,7

* Including Karçimsa concrete plant.

Betonsa Sales



Agregasa Sales

In 2014, aggregate sales with the Agregasa brand name reached 2.5 million tons in four different plants in Kemerburgaz, Saray, Bursa and Samsun.

Agregasa	2010	2011	2012	2013	2014
Number of Facilities	4	4	4	4	4
Production Amount (million m3)	2,0	1,9	2,9	3,0	2,5

R&D Activities

In 2014, a total 1,100 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, CaCO₃ Determination, Washing in 0.063mm Sieve) and Aggregate Sieve Analyses are performed periodically. In 2013, 409 sieve analyses and 1,084 fine aggregate pollution tests were conducted.

Conventions and Publications

Akçansa collaborates with universities regarding national/international scientific publications (bulletins). As part of this collaboration, Akçansa provided material support for a number of postgraduate and doctorate theses at the ITU Construction Material Department. Since 1996, Betonsa Technology Center has published 19 international and 27 national convention bulletins in cooperation with ITU. Publication topics especially cover mechanical features, durability, optimal designs in terms of cost and innovative special concrete, they draw great interest from the industry.

Quality Operations

These operations 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 formulas without compromising on quality or 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 concrete; taking witness samples in construction inspection laboratories; resolving customer complaints regarding the quality of concrete; along with the Technology Center, providing customers technical support and training on concrete; maintaining the facilities for product, quality and system inspections (i.e. G, 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.

Integrated Management Systems

We successfully passed the Integrated Management System audit (ISO 9001 , ISO 14001 and OHSAS 18001 interim audit) by TÜV Rheinland on December 22-25, 2014.

The audit was performed at the Assistant General Manager's department (Ready-Mix Concrete, Aggregate), Human Resources, Purchasing, Aggregate Department, Quality and Optimization Department, Technical Department, Marketing and Special Products Department, Technology Laboratory, Central Workshop, Istanbul West-1 Regional Directorate, Yenibosna, Ayazağa, Silivri, Ayvalık and Gümüldür Ready-Mix Concrete Facilities, and Kemerburgaz Aggregate facility.

Ready Concrete and Aggregate Operations

Ready-Mix Concrete and Aggregate Environmental Investments

In 2014, a total of 1.1 million Turkish lira was investment for de-dusting and environmental improvements at the aggregate plants. As part of a good practice operation, a filter press unit system has been built for waste and water recycling. A 842,894 Turkish lira investment has been made at the ready-mix concrete plants, achieving environmental compliance as a result. Waste areas have been improved, pulverized watering systems have been built for de-dusting, and work has continued to built recycling and filter press systems. As of 2014, ready-mix concrete plants possess 31 recycling systems, indoor stock halls in 27 facilities, and 3 filter press units. Continued and periodic inspections and training are performed for environmental improvement.

Ready Concrete Product Range

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

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 Certifications issued by the Ready Concrete Union of Turkey (THBB). 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, fiber-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.

Ready Concrete Special Product Sales & Range

In 2014, special products sales reached 333,314 cubic meters with their share in total ready-mix concrete products rising to 7.5 percent.



Buildings are Going Green with A+BETON!



100+Concrete: Betonsa's concrete product with superior durability and impermeability properties. Low alkali special cement and mineral-additive 100+Concrete have been developed for big infrastructure projects (bridge, airport, metro and highway) that require hundred and more years of service life. 100+Concrete can withstand years of use with superior durability and impermeability properties.

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. 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. Viskotemel, produced in compliance with TS EN 12350 standards and C 30/37 and C 35/45 resistance classes, is used in projects that require non-permeability due to its low water/binding rate. With its minimum 50 cm spreading feature, it provides cost effectiveness and ease of application.

Viskoperde: Betonsa's self-compacting concrete product that is specifically designed for use in vertical construction elements. Viskoperde, produced in compliance with TS EN 12350 standards and C 30/37 and C 35/45 resistance classes, has a 65-meter spreading property and an increased fine aggregate percentage that allows it to move quickly through close fittings to provide easy application without the need for a 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.





A Legacy for the Future



Today, we are able endeavor on this land
for the future of our people, thanks to
the heroes who have sacrificed their
lives without hesitation. Could there be
a greater legacy than this?

Corporate Social Responsibility

Akçansa carries out operations according to the mission of becoming the leading construction materials producer with an active role in improving the society's quality of life. It does this by creating added value for all social stakeholders by means of a corporate culture that is shaped through commitment to social, environmental, legal and ethical principles. Akçansa consequently acts with the awareness that becoming the leading player of Turkey's cement industry requires a responsibility beyond creating added value. Motivated by the need to become a responsible corporate citizen, Akçansa conducts donation, sponsorship and community projects aimed at creating value in areas like health, culture, arts, education, sports and the environment.

Moreover, in order to get feedback and prioritize the ones that stand out, stakeholder participation efforts are carried out such as the Neighbor Councils, Dialogue First meeting, employee meetings and senior executive briefings, which are held in parallel with the emphasis Akçansa places on dialogue.

Akçansa's Volunteers World

Akçansa became a member of the Private Sector Volunteers Association to incorporate volunteerism to its corporate culture, and held its first volunteer meeting. Akçansa Volunteers took part in the painting and kitchen workshops with the disabled and disadvantage people at the Dreams Academy. At the meeting, the Children Transforming the Future project was promoted. Akçansa will implement the project in collaboration with the Environmental Protection and Packaging Waste Recycling Foundation (ÇEVKO) in 2015. As part of the project, Akçansa Volunteers will visit 25 schools in Büyükkçekmece to give waste and recycling training to 4th grade students. The first meeting ended with a workshop in which Akçansa Volunteer Team's road map was developed.

Concrete Ideas Project Competition

The 5th Concrete Ideas Project Design Contest, held by Turkey's leader construction materials company Akçansa, 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.

Finalists for the 5th Concrete Ideas Project Competition were announced at a ceremony held at the Sabanci Center on May 12, 2014. Nearly 150 students from over 25 universities applied to competition.

"Grup Concrete" made up of two students from ITU Department of Architecture took the first prize with the "Concrete, Energy, Sustainability" themed project. Grup Betopya consisting of students from ITU and YTU came second, and Grup Betonyum (Boğaziçi and ITU) and Grup İkiartıbir (ITU) took the third place by getting equal points for the first time.

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.

A total of 15 projects from eight universities participated in the Biodiversity Project Competition, which is organized with the goal of developing projects to boost biological value of mine sites and increasing students' awareness in this regard.

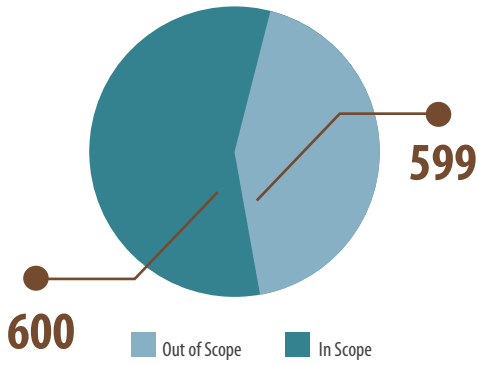
The winners were announced at an award ceremony at the Wyndham Grand Istanbul Levent. "Doğal Yaşam Kampüsü" (Natural Life Campus) project by Ege University student won the project, earning the right to represent Turkey at the international finals.



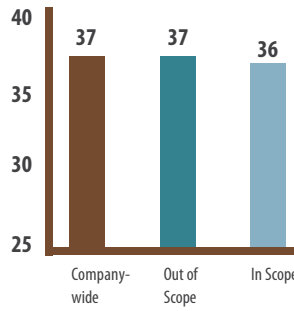
Human Resources

We take pride in being the industry's most-admired company for the past 13 years. **We continue to move forward on a successful path** with an emphasis on creating a positive organizational climate that allows our personnel to accomplish their objectives.

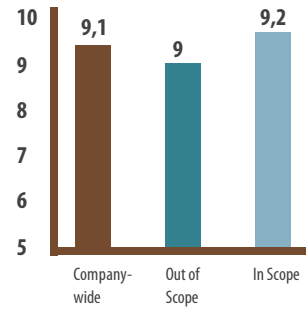
Distribution of Personnel



Average Age



Average Seniority



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 loyalty,
- 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.



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. As part of this, 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 December 12, 2015 period.

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.

Bringing together our employees from various functions and locations based on volunteerism, "Employee Ambassadors Council" endeavors to maintain a constant mutual communication by creating a bridge in dissemination of the actions and practices regarding the personnel, and to turn this communication into a lifestyle by building a reliable and open channel.



Work Life

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) 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, Sabanci 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 H&S.

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.

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. Its modules can be reached from anywhere, ending the need to remain in the office.

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," "H&S Pioneers of the Year Awards," "Team Awards," "Suggestion Stars of the Year Awards" and "Seniority Plaques."

mozaik

Kariyer ÇINARI



United



United States Army

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Corporate Governance Principles Compliance Report for the
January 1, 2014 - December 31, 2014 period

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Contents

54-55	Independent audit opinion
56-153	Annual Report

Independent Audit Report on the Annual Report of the Board of Directors

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

Report on the Audit of the Annual Report of the Board of Directors Pursuant to the Independent Audit Standards

We have audited the annual report ending at the December 31, 2014 accounting period of Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi and subsidiaries (hereafter referred to as "Group" together).

The Board of Directors' Responsibility with regard to the Annual Report

The Group management is responsible for preparing the annual report pursuant to Article 514 of the Turkish Commercial Code ("TCC") No. 6102 and to the provisions of the Capital Market Board ("CMB") "Communiqué on Principles Regarding Financial Reporting in the Capital Market" No. II-14.1, and for performing the internal controls it deems necessary in order to prepare an annual report with these features.

Independent Auditor's Responsibility

Based on the independent audit we have performed pursuant to Article 397 of the TCC and to the Communiqué, to present an opinion on whether the financial information in this annual report is consistent with the consolidated financial statements, which are subject of the Group's February 24, 2015 independent audit, and whether they reflect the truth.

We have performed the independent audit in compliance with the independent audit standards published by the CMB and with the Independent Audit Standards ("IAS"), a part of the Turkish Audit Standards, and published by the Public Oversight, Accounting and Auditing Standards Authority. These standards must be implemented through planning to ensure compliance with ethical provisions and to provide reasonable guarantee that the independent audit and information on the annual report are consistent with the consolidated financial statements, and whether they reflect the truth. Independent audit involves implementation of audit procedures to obtain audit evidence regarding historical financial information. Selection of the procedures are based on professional judgment of the independent auditors. We believe that the independent audit evidences we have obtained during the independent audit form an adequate and proper basis to build our opinion.

Opinion

In our opinion, financial information presented in the board of directors' annual report are consistent with the audited consolidated financial statements, and they reflect the truth in all aspects.

Other Responsibilities Arising from the Legislation

Pursuant to Article 402/3 of the TCC No. 6102, no uncertainty has been detected to suggest that the Group will not be able to continue its operations in the foreseeable future within the scope of the IAS 570 "Going Concern."

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



Ferzan Ülgen, SMMM
Partner

February 24, 2015
Istanbul, Turkey

Corporate Governance Principles Compliance Report

PART I - CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE DECLARATION

Corporate Governance Principles Compliance

Akçansa Çimento Sanayi ve Ticaret A.Ş. has displayed due diligence in implementation of the "Corporate Governance Principles" published by the Capital Markets Board of Turkey (CMB) in the January 1-December 31, 2014 period.

There is continuing work to ensure full compliance to the corporate governance principles in keeping with the decisions taken at the Corporate Governance Committee meetings.

PART II - SHAREHOLDERS

2.1. Investor Relations Department

Our company has set up a unit in order to maintain communication and contact with investors, as well as to serve them. The department is managed by Dr. Carsten Sauerland, Assistant General Manager (Finance) and it is made up of Hüsnü Dabak, Director of Financial Affairs (0216 571 30 25, husnu.dabak@akcansa.com.tr), Ayşen Öksüzöğlü, Accounting Specialist-Stakeholder Relations (0212 866 11 69, aysen.ozgurel@akcansa.com.tr), Dinçer Bulan, Accounting Director-Financial Reporting Investor Relations and Asset Management (216 571 31 14 dincer.bulan@akcansa.com.tr), Aysun Yalçinkaya, Financial Reporting and Investor Relations Specialist (216 571 30 32 aysun.yalcinkaya@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). Pursuant to the CMB Corporate Governance Communiqué II-17.1, Hüsnü Dabak has been appointed as the investor relations director and also as the Corporate Governance Committee Member since, as the company's Finance Manager, he already performs the duties set forth in

the communiqué, and he possesses the qualifications required to serve as the Investor Relations Unit Manager.

Those concerned can also be reached through fax at 0216 571 30 31. The Investor Relations Unit handles capital increases, dividend payments to shareholders, 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. Shareholders can go to the corporate site at www.akcansa.com.tr to obtain more detailed and periodic information on the company's operations, and access company information disclosed pursuant to the legislation.

Regular meetings were organized upon request with all investors during the reporting period.

In 2014, five roadshows, 24 in house (office visits) as well as one-on-one meetings with 57 investors and two analyst meetings took place. Also, one investment convention was held.

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.

Corporate Governance Principles Compliance Report (cont.)

2.1. Investor Relations Department (cont.)

Disclosure Policy has been submitted for the information of the shareholders at the Public Disclosure Platform and the corporate website after being revised by the Corporate Governance Committee for this purpose with the Board of Directors' resolution No. 975 dated December 19, 2014 in compliance with the CMB Communiqué Serial II.15.1.

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.

Any shareholder who fails to register his or her shares in the system registry by December 31, 2012 shall lose all rights arising from these stocks by law as of the aforementioned date.

2.2. Shareholders' Rights to Information

Shareholders requesting information are responded to in writing or verbally, based on their preference. As per the Capital Markets legislation, announcements in relation to shareholders' exercise of their rights are made through the Public Disclosure Platform in the Turkish Trade Registry Gazette. Announcements are also posted at www.akcansa.com.tr. Pursuant to CMB communiques, the company is subject to auditing by an Independent Auditing Firm. Appointment of a special auditor has been stipulated as a right in the Articles of Association. As of 31 December 2014, 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. 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. The annual audited report is approved by the General Assembly and announced on www.akcansa.com.tr. Pursuant to Capital Market Legislation, the Audit Committee nominated by the company's Board of Directors functions in accordance with procedures. Utmost care is paid to ensure exercise of the rights mentioned below and set out by the Corporate Governance Principles, in addition to fundamental shareholding rights set forth under the Turkish Commercial Code and the Capital Market Law.

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 until December 31, 2014, the Shareholder Relations Department responded to 15 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 Report (cont.)

2.3. 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 83.84 percent quorum at the Sabancı Center 4. Levent/ ISTANBUL address on March 26, 2014. Meeting invitation was published in the Turkish Trade Registry Gazette's issue No. 8520, dated March 4, 2014. 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 2014 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. Pursuant to the Article 1.3/5 of the CMB's "Corporate Governance Principles" (II-17.1), the questions and answers have been disclosed to the public through the company's corporate website. 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, 2014 – December 31, 2014 period. Decisions of critical importance in the Turkish Commercial Code are submitted for the approval of the shareholders at the General Assembly.

2.4. 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 by the General Assembly of Shareholders if and when it is regulated by applicable laws and minority shareholders are prevented from abusing cumulative voting rights.

Corporate Governance Principles Compliance Report (cont.)

2.5. Dividend Rights

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

Akçansa Çimento Sanayi ve Ticaret A.Ş. Dividend Distribution Policy has been set pursuant to the provisions of the TCC, the CMB legislation, and other legislation, as well as the Articles of Association provisions with regard to dividend distribution, and in keeping with the middle and long-term strategies, and investment and financial plans of Akçansa Çimento Sanayi ve Ticaret A.Ş. by taking into consideration the country's economy and the industry's state, and by pursuing a balance between the shareholders' expectations and the company's needs.

Although the General Assembly adopted a decision to determine the amount of dividend to be distributed, it has resolved to distribute at least 50 percent of the distributable profit in cash and/or as bonus share.

While it was resolved to distribute dividends equally and as soon as possible regardless of the whole share amount, and their issue and acquisition dates; distribution shall be made to shareholders at the date determined by the General Assembly following its approval within stipulated legal periods.

Pursuant to Article 33 of the Articles of Association, if authorized by the General Assembly, it shall also be possible to distribute advance dividends to shareholders with the resolution of the Board of Directors.

The General Assembly shall be authorized to transfer a certain part or all of the net profits as excess reserve fund. In the event that the Board of Directors of Akçansa Çimento Sanayi ve Ticaret A.Ş. proposes to the General Assembly not to distribute dividends, at the General

Assembly meeting, shareholders shall be provided information on the reasons and the manner of use of the undistributed profits. Similarly, this information shall be available to the public in the annual report and the corporate website.

Dividend distribution policy shall be submitted for the approval of the shareholders at the General Assembly Meeting. The Board of Directors reviews this policy every year in line with any adversities in the national and global economic conditions, and the state of current projects and funds. Any changes made to the policy shall be submitted for the approval of the shareholders at the first General Assembly following the changes, and shall be disclosed to the public at the corporate website.

This information has been submitted for the information of the shareholders prior to and at the General Assembly. Dividend Distribution Policy was submitted for the information of the shareholders at the March 26, 2014 General Assembly. Dividend Distribution Policy is also provided at the corporate website at www.akcansa.com.tr address within the Corporate Identity and governance information.

As per the provisions of the company's Articles of Association, article 33 sets out the manner of profit distribution. The company's dividends are paid within the legally-prescribed periods of time. No shareholders shall enjoy any privileges in terms of receiving shares from the profit.

2.6. Transfer of Shares

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

Corporate Governance Principles Compliance Report (cont.)

PART III – PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Corporate Website and Content

The company has in place a registered website. Corporate 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 covers information such as corporate presentations, products and services, management systems, financial indicators, annual reports, an investor center, financial statements, information policy, environmental activities, social responsibility activities and human resources.

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

3.2. 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 Report (cont.)

PART IV - STAKEHOLDERS

4.1. Informing Stakeholders

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, 2009 and since then, it has been posted at www.akcansa.com.tr website. Disclosure Policy has been submitted for the information of the shareholders at the Public Disclosure Platform and the corporate website after being revised by the Corporate Governance Committee for this purpose with the Board of Directors' resolution No. 975 dated December 19, 2014 in compliance with the CMB Communiqué Serial II.15.1.

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 Hayrullah Hakan Gürdal (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.

Access to public disclosure through the website has been enabled under the scope of Information Policy as recommended by the CMB Corporate Governance Principles.

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. Information, save for confidential information and trade secrets, is provided in an accurate, complete, intelligible, interpretable manner, and is made equally available to all.

CUSTOMERS

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. The company also plans training sessions and seminars, carried out at regular intervals, that target customers. In addition, the company maintains its research and development activities.

Corporate Governance Principles Compliance Report (cont.)

PART IV - STAKEHOLDERS (cont.)

4.1. Informing Stakeholders (cont.)

EMPLOYEES

All practices related to employees are carried out within the framework of employment laws.

Hiring, promotion, training and performance improvement policies and practices are put into writing.

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 kept up-to-date on their areas of expertise and topics of general interest through meetings, workshops, training courses and on-line notices.

4.2. Stakeholders' Participation in the Company 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. Also, regular questionnaires are conducted to measure employee satisfaction and 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.

4.3. Human Resources Policy

Akçansa considers the value placed at human resources to be the major factor in its accomplishments, and it places the employees at the core of all operations. Accordingly, through constant development and practices that bring high performance, the company strives to be an exemplary and preferred employer in the industry with a qualified workforce.

Akçansa brings its employees together under the identity of being an "Akçansa member." Thanks to a partnership between Sabancı Holding and HeidelbergCement, employees enjoy a trust and respect for each other in a climate that nurtures employee satisfaction and productivity, along with modern human resources practices.

Akçansa establishes human resources strategies and 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.

In Akçansa's equal work environment, 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. To date, the company has not received any negative feedback from employees with regard to discrimination.

To manage relations with the employees in the company, Workplace Union Representatives also act as employee representatives in the Collective Bargaining Agreement that was signed for the period January 1, 2014, to December 31, 2015. There have been no discrimination complaints from the employees from January 1, 2014 to December 31 2014 or in the period prior to these dates.

Corporate Governance Principles Compliance Report (cont.)

PART IV - STAKEHOLDERS (cont.)

4.4. Ethical Rules and Social Responsibility

The ethical principles embraced by our partner Sabancı Holding have also been adopted by our company. Employees are informed about the rules through the booklets and educational training. Feedback is obtained from 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.akçansa.com.tr/insan-kaynaklari/is-etigi-kurallarimiz>
<http://www.akçansa.com.tr/yatirimci-merkezi>

The company makes every effort to comply with international standards for a cleaner environment.

As is stated in our ISO 14001 environmental policy, the company's goals in this aspect are as follows: waste management and reduction through the classification and sorting of waste, recycling if possible, and disposal of waste in licensed disposal facilities; incinerating waste that can be used in our plants (where licenses and permits have been granted), evaluation of damage caused by waste to the environment and taking necessary preventive measures to minimize such damage; fulfilling legal obligations and providing required infrastructure and resources; imposing sanctions on our contractors when necessary and providing training. Achieving sustainable development while protecting the environment and raising environmental awareness is one of Akçansa's primary goals. Akçansa addresses the environmental aspect at all of its facilities. There exist lawsuits that have been filed against the company in relation to environmental issues.

As Turkey's leading construction materials company, Akçansa led the industry by publishing the first ever sustainability report. The report contains the developments in the 2007-2009 period. As part 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. The second sustainability report was published in 2012 with the inclusion of the work and performance results for the period 2010-2011. Akçansa sustainability reports are planned for publication every two years. In October the third sustainability report was published for the period 2012-2013.

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 R134- 001 and R117- 001 licenses, which authorize the use of alternative fuel. They boast of being the first plants granted with Ministry of Environment and Forestry R134- 001 and R117- 001 licenses, which authorize the use of alternative fuel. Incineration of waste at cement plants serves to conserve natural resources and significantly reduces 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. "Mobile waste containers" at our ready-mix concrete project facilities are an industry first, as well as an example of best practice.

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. We aim to contribute to the reduction of the carbon footprints of these institutions by providing a safe and healthy way of disposing their 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.

Corporate Governance Principles Compliance Report (cont.)

PART IV - STAKEHOLDERS (cont.)

4.4. Ethical Rules and Social Responsibility (cont.)

Akçansa believes that children need to be educated from an early age regarding the environment. Therefore, it has launched the "Surrounded by the Environment" initiative with the purpose of educating children on environment issues. 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.

In cement production, raw materials are obtained mainly from natural resources. Our environmental priorities include preserving biodiversity at our mine sites. Each year, we regularly reforest the areas where we no longer carry out production operations. In 2013, we also held a "Biodiversity Project Competition" aimed at university students for the first time in Turkey. With the competition, we aim to increase awareness regarding biodiversity and facilitate development of creative projects by young people. The project award ceremony will be held in November 2014.

We are leading the industry as the first cement company to participate in the Carbon Disclosure Project (CDP), which is being carried out in collaboration with 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.

Energy efficiency is critical in the energy-intense cement industry. We have goals to reduce energy consumption, and energy performance indicators to monitor and measure efficiency at our plants. In order to introduce a more systematic approach to energy management and prepare for our responsibilities with regard to greenhouse gas emissions, we acquired the ISO 50001 – Energy Management System Certificate for "three plants and Çanakkale port facility" in 2013 by bringing our current measurement and monitoring system to international standards. The certificate is an industry first.

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.

Through 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. Thanks to the donations it makes to the Sabancı Foundation, the company makes an impact on both the country's social and cultural development as well as its immediate circle.

Corporate Governance Principles Compliance Report (cont.)

PART V - BOARD OF DIRECTORS

5.1. 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 resolved to appoint Independent Board Members Atıl Saryal as the Chairman of the Corporate Governance Committee, Yavuz Ermiş and Hüsnü Dabak 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 27, 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, the Board of Directors pass a resolution on September 21, 2012;

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

of HEIDELBERGCEMENT MEDITERRANEAN BASIN HOLDINGS S.L.;

And passed another resolution on September 24

Mehmet Göçmen, who has been elected as a Board Member as the representative of HACI ÖMER SABANCI HOLDİNG ANONİM ŞİRKETİ, and Ali Emir Adıgüzel, who has been elected as a Board Member as the representative of HEIDELBERGCEMENT MEDITERRANEAN BASIN HOLDINGS S.L., have been re-elected as the nominees of the shareholders following acceptance of their resignations.

It has been resolved to elect Mehmet Göçmen

(who resigned his post on September 1, 2014. Hayrullah Hakan Gürdal has been appointed to be submitted for the approval of the first General Shareholders' Assembly.) and Faruk Bilen on behalf of the shareholder HACI ÖMER SABANCI HOLDİNG A.Ş.

HEIDELBERGCEMENT MEDITERRANEAN BASINHOLDINGS, S.L. and,

Atıl Saryal and Yavuz Ermiş 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 Shareholders' 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 Report (cont.)

PART V - BOARD OF DIRECTORS (cont.)

5.2. Operating Principles of Board of Directors

During the January 1, 2014-December 31, 2014 period, the Board of Directors of the company met 51 times, of which four were conducted face-to-face and 47 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. The agenda and the contents of the agenda items are compiled in a file by the preliminary informative committee and circulated to board members one week prior to the relevant meeting to allow time for necessary review and study.

During the meetings that were held between January 1, 2014-December 31, 2014, there were no opposing views against the resolutions taken by the Board of Directors. Board members, save for those with a justifiable excuse, personally attended the board 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.

5.3. Number, Structure and Independence of Committees under Board of Directors

As of the January 1, 2014-December 31, 2014 period, an Audit Committee is in 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. Pursuant to the CMB Corporate Governance Communiqué II-17.1, Hüsnü Dabak was appointed as the Corporate Governance Committee Member on April 25, 2014. It was resolved to have this committee carry out the duties of the Nomination Committee and the Remuneration Committee as well. Under 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, 2014-December 31, 2014 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.

The 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.

Corporate Governance Principles Compliance Report (cont.)

PART V - BOARD OF DIRECTORS (cont.)

5.4. Internal Control and Risk Management Mechanism

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 resolved to appoint Independent Board Members Atıl Saryal as the Chairman of the Corporate Governance Committee, Yavuz Ermiş and Finance Manager Hüsnü Dabak as the Corporate Governance Committee Members, and to empower the Committee to also carry out the duties of the Nomination and the Remuneration committees.

An Internal Audit Manager and Internal Audit Specialist serve in 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 its executives classified all potential risks upon which necessary precautions have been adopted therefor. These include: all types of financial risks such as asset-liability, credibility, capital/indebtedness, exchange rate risks and risk factors that may directly influence the financial position of the company; natural risks, in relation to which all facilities are insured to minimize the risk posed by natural disasters such as fire, earthquake, and so on, 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.

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 respectively serve as the Chairman and Member of the Early Detection of Risk Committee. Corporate Risk Manager provide information to the Early Detection of Risk Committee with periodic reports within the company.

5.5. Strategic Goals of the Company

VISION

To achieve sustainable growth 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. Furthermore, the annual budgets prepared as part of these strategic objectives, which are approved by the Board of Directors.

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 repeats this process at least four times a year.

Corporate Governance Principles Compliance Report (cont.)

PART V - BOARD OF DIRECTORS (cont.)

5.2. Financial Rights

During the January 1, 2014-December 31, 2014 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 26, 2014 Ordinary General Assembly, it was resolved to pay amonthly remuneration of 3,000 Turkish lira to the Board Members. During the period, Mehmet Göçmen (he has resigned his post on September 1, 2014 and Hayrullah Hakan Gürdal has been appointed to be submitted for the approval of the first General Assembly) and Faruk Bilen, 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 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.

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, 2014-December 31, 2014 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.

Prohibition on doing business or competing with the company

During the January 1, 2014-December 31, 2014 period, Board Members did not enter any transaction with the company or engage in any activity that constitutes competition in the same areas of activity of the company.

Research and development activities

Akçansa collaborates with universities and the Heidelberg Technology Center in areas such as training, new product development, before and after sales support, technical trips for university students, support for university studies on cement and concrete, support for universities with regard to conventions and brochures, and national/international scientific publications (announcements).

Ongoing R&D Projects

- Researching the Use of Mineralizers Clinker Production
 - Studying Hydration Reaction on Cement and Researching the Factors that Affect Cement
 - Establishing the Criteria on Use of Recycled Items from Constructions and Debris Waste
 - Considering Microalgae as Fuel and as CO2 Catcher in Cement Production Process
 - High performing superplasticizer synthesis to be used in self-compacting concrete
- 100+Concrete and 100+cement products, which are produced for the third Bosphorus bridge, stand out with superior durability and with strength against environmental effects.

Environmental (Alternative Fuel and Raw Material) Laboratory continues operations at the Büyükçekmece plant.

Research and development activities (cont.)

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. The Akçansa Technology Center has published many national and international conference statements as a result of joint studies it has carried out with ITU. Publication topics especially cover mechanical features, durability, optimal designs, and they draw great interest from the industry. There are ongoing efforts to promote and strengthen the image of the company by establishing close collaborations with the Chamber of Construction Engineers, universities and customers.

Amendments to the Articles of Association during the operating period, and the reasons

No amendments were made to the Articles of Association of the company during January 1, 2014-December 31, 2014 period 2014.

Quality and amount of issued capital market instruments, if applicable.

None.

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.

With its principle of sustainable growth and business goals, Akçansa carries out its activities by planning them in the best manner first. The company, which has transparent, open and continuous communication with

all its stakeholders in both business applications and social responsibility projects, converts its activities into value-adding communication projects and has become a reputable company.

Akçansa aims to advance its existing powerful relationships with its social partners in order to perpetuate its leadership. Akçansa, which makes one of the largest investments in society and in its social stakeholders, is rewarded with the prestige of making such an investment. 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. Akçansa's competitive power, financial performance and innovative technology that extends from special products to using alternative fuels and raw materials, their respect for the environment, their work on social responsibility projects and advanced applications in the area of human resources have all been combined to continuously emphasize their leadership in the sector.

While Akçansa utilizes the country's natural resources through industrial investments and contributes to the economy with employment, production and exports, they also use the resources obtained through industrial and commercial activities to create value in the areas of culture, sports, arts, education and the environment.

Area of business of the company and its position in the market (cont.)

Akçansa applies the highest 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.

The Akçansa Büyükçekmece plant is the first factory to have built specially-designed waste feeding systems, which are able to feed both waste oils and tires automatically. The plant is increasingly using 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 analysis can be performed as stipulated by the law and regulations concerning 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 have 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 its customers, construction companies, producers of concrete components, civil engineers, audit companies, engineers and technicians joining from domestic and central authorities, and 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.

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

The company possesses an investment incentive certificate, as of December 31, 2014.

As of December 2014, total consolidated investment expenditures were 113.7 million Turkish lira.

Production and the capacity

Our plants and facilities work with the following capacities.

FACILITY CAPACITIES	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
Karşımsa	200.000	-	-

Information on Operations

In 2014, consolidated domestic sales revenue rose to 1.32 billion Turkish lira, showing a 24 percent increase year-on-year. While consolidated international sales revenue dropped 18 percent to 139.8 million Turkish lira. The revenue was affected positively thanks to the increase in domestic demand and sales prices compared to last year.

Financial ratios (*)

Liquidity Ratios		December 31, 2014
Current Ratio	Current Assets/Short Term Liabilities	1,54
Acid Test Ratio	(Current Assets - Term Liabilities)	1,12
Inventories / Current Assets	Inventories / Current Assets	0,28
	Current Assets (Except Cash and Cash Equivalents)	
Working Capital	Short Term Liabilities (excluding loans)	211.411.492
Financial Structure Ratios		
Financial Leverage	(Short Term + Long Term Liabilities) Total Assets	0,28
Fixed Assets/Equity		0,95
Financial Liabilities / Equity		0,09
Net Financial Position	Cash and Cash Equivalents - Financial Liabilities	(85.017.215)

Financial ratios (*) (continued)

Profitability Ratios		
Asset Turnover	Net Sales/Total Assets	0,88
Gross Profit Margin	Gross Sales Margin/Net Sales	0,28
Return On Investment	Net Profit/Total Assets	0,16
Operating Income/Sales		0,23
Net Earnings per Share		1,30
Cash and Cash Equivalents		13.277.590
Financial Liabilities		98.294.805
Net Financial Position		85.017.215
Trade Receivables		332.836.708
Other Receivables and Other Current		15.860.453
Inventories		138.833.800
Trade Payables		(238.857.608)
Other Liabilities and Other Obligations		(37.261.861)
Net Working Capital		211.411.492

(*) Obtained from consolidated financial table data.

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.

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

Mehmet Hacıkamiloğlu / General Manager - Appointed on September 1, 2014.

Born in 1969, Mehmet Hacıkamiloğlu received his bachelor's degree in construction engineering from Boğaziçi University, and completed the international business administration post graduation program at Istanbul University and the executive-MBA program at Sabancı University. Mehmet Hacıkamiloğlu began his career at the Sabancı Group as the Plant Manager at Betonsa, and then continued as the Investment and Planning Specialist at the same company. He served as the Strategy Development and Planning Manager at Akçansa between 1997-1999, as the Managing Director of Agregasa between 1999-2001, as the Financial Coordinator at Akçansa for two years, and as the Assistant General Manager (Finance and Administrative Affairs) at Çimsa respectively. He was appointed as the General Manager of Çimsa on July 1, 2006, and as the General Manager of Akçansa Çimento Sanayi ve Ticaret A.Ş.

Hayrullah Hakan Gürdal / General Manager – as the Chairman of the Board Directors on September 1, 2014.

Born in 1968, Hakan Gürdal received his bachelor's degree in mechanical engineering, followed by master's degree in both business administration and economics. He began working at Çanakkale Çimento in 1992. Gürdal 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. He took up the post as the General Manager of Akçansa on August 1, 2008 and as the Chairman of the Board Directors on September 1, 2014.

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 Mannheim, 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. Dr. Sauerland was appointed as the Assistant General Manager in charge of Finance at Akçansa in November 2012.

Özgür BEK / Assistant General Manager (Ready-mix Concrete & Aggregate)- Appointed on August 11, 2014.

Born in 1971, Özgür Bek received his bachelor's and master's degrees in chemical engineering at Boğaziçi University, and began his professional career in 1996. He served as in various executive positions in production and sales departments at Erciyas Bira Pazarlama A.Ş., Kraft Gıda, Eczacıbaşı Girişim Pazarlama A.Ş. and Philip Morris before joining Akçansa on August 11, 2014. Bek currently performs his duties as the Assistant General Manager in charge of Ready-mix Concrete and Aggregate at Akçansa.

Cenk Eren / Assistant General Manager - Ready-Mixed Concrete and Aggregate He resigned his post on January 15, 2014.

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, and resigned his post on January 15, 2014.

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

Umut Zenar / Assistant General Manager (Sales and Marketing)

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.

Nils Arvid Viktor Gustafsson Stjernberg /Assistant General Manager - He resigned his post on July 1, 2014

04 Şubat 1968 yılında doğan He was born on February 4, 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. He left the company on July 1, 2014.

Ali Kipri / Assistant General Manager (Operations) Appointed on September 1, 2014.

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.

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.

Ozan ERİNÇKAN / Assistant General Manager (Purchasing and Logistics)

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.

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

Okay KILINÇ / Çanakkale 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 Çanakkale Plant in 14 June, 2014

Alican KARLIDAĞ / Büyükçekmece 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 Gürış 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. After working as Ladik Factory Manager, he appointed as The Büyükçekmece Factory Manager as from the date of 01.07.2014.

Cevat KATAR / Ladik plant Manager

Born in 1970, he received his bachelor's degree in chemical engineering from Atatürk University in 1992. Cevat Katar began his professional career at Aşkale Çimento in 1995 and worked at various positions at the Quality Control and Production departments until 2005 before joining Akçansa in 2006. Subsequently, he served as the Quality and Development Manager, and then as

the Production Manager at the Akçansa Ladik plant, and as the Clinker Production Manager at the Çanakkale Plant respectively before being appointed as the Akçansa Plant Manager on July 1, 2014.

Dr. Barış ERGEN / Internal Audit Manager

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.

Personnel and labor movement, collective labor agreement practices, and rights and benefits provided to the personnel and workers:

As of 31 December 2014, the consolidated number of personnel stands at 1,201.

- Current 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. For the second year of the Agreement, a 7.4-percent increase was made as of January 1, 2014.

ii. 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 the same as the increase that was made in 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. (The rate of increase calculated by adding 1 (one) point to rate of change year-on-year as per the relevant article of the Collective Bargaining Agreement (CBA).)

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.

Information regarding the donations made in the year

During the 12-month period in 2014, the company made donations to educational institutions in particular, as well as to public institutions and organizations in the consolidated amount of 3,702,667 Turkish lira.

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
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	8,73
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

Information regarding company acquisition of its own shares

During the January 1, 2014-December 31, 2014 period, the company did not acquire its own shares.

Information regarding the subsidiary report that was drawn up within the scope of Article 199 of the Turkish Commercial Code (cont.)

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, 2015 report shows that in all of the transactions that Akçansa performed in 2014 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.

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

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi and Its Subsidiary

Consolidated financial statements as of December 31,
2014 and independent auditors' report

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Table of contents

80-81	Independent auditors' report
82-84	Consolidated statement of financial position
85	Consolidated income statement
86	Consolidated statement of other comprehensive income
87	Consolidated statement of changes in equity
88-89	Consolidated statement of cash flows
90-152	Notes to the consolidated financial statements

INDEPENDENT AUDITORS' REPORT

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

Report to the Financial Statements

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, 2014 and the related consolidated statement of profit or loss, 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 consolidated financial statements in accordance with the Turkish Accounting Standards and for such internal controls as management determines is necessary to enable the preparation and fair presentation of 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 consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and standards on auditing published by the Public Oversight Accounting and Auditing Standards Authority ("POA") 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.

Independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and/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 independent audit 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. Our independent 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 financial statements present fairly, in all material respects, the financial position of Akçansa Çimento Sanayi ve Ticaret A.Ş. and its Subsidiary as of December 31, 2014 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards.

Reports on other responsibilities arising from regulatory requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 24 February 2015.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2014 and financial statements are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

Ferzan Ülgen, SMMM
Partner



February 24, 2015
Istanbul, Turkey

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Consolidated statement of financial position as of December 31, 2014 (Currency - Turkish Lira (TL))**

Assets		Current period (Audited)	Prior period (Audited)
	Notes	December 31, 2014	December 31, 2013
Current assets		500.808.551	478.717.210
Cash and cash equivalents	6	13.277.590	15.833.231
Financial investments	7	-	-
Trade receivables	10	332.836.708	326.582.606
- Due from related parties	37,10	12.121.394	23.858.148
- Other trade receivables	10	320.715.314	302.724.458
Receivables from financial sector operations	12	-	-
Other receivables (net)	11	4.451.778	1.955.926
- Other receivables from related parties	37,11	7.099	739.689
- Other receivables from third parties	11	4.444.679	1.216.237
Inventories	13	138.833.800	117.073.000
Biological assets (net)	14	-	-
Prepaid expenses	26	11.407.932	17.271.704
Other current assets		743	743
Total		500.808.551	478.717.210
Non-current assets		1.101.688.032	998.501.198
Financial investments	7	220.771.458	164.879.006
Trade receivables	10	-	-
Receivables from financial sector operations	12	-	-
Other receivables (net)	11	811.889	565.961
- Other receivables from related parties	37,11	-	-
- Other receivables from third parties	11	811.889	565.961
Investments accounted by equity method	16	-	-
Biological assets	14	-	-
Investment property	17	-	-
Property, plant and equipment (net)	18	708.780.431	665.042.156
Intangible assets (net)		165.639.978	164.686.488
- Goodwill (net)	20	129.457.887	129.457.887
- Other intangible assets (net)	19	36.182.091	35.228.601
Prepaid expenses	26	4.612.842	2.195.581
Deferred tax asset	35	1.071.434	1.132.006
Other non-current assets	26	-	-
Total assets		1.602.496.583	1.477.218.408
Assets held for sale	34	-	-

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Consolidated statement of financial position as of December 31, 2014 (Currency - Turkish Lira (TL))

Liabilities		Current period (Audited)	Prior period (Audited)
	Notes	December 31, 2014	December 31, 2013
Current liabilities		324.332.668	381.051.707
Financial liabilities	8, 37	17.798.105	148.554.898
Short term portion of long term financial liabilities	8, 37	30.415.094	825.420
- Payables from financial borrowings		30.415.094	633.333
- Payables from financial leases		-	192.087
Other financial liabilities	9	-	-
Trade payables	10	238.857.608	192.717.127
-Due to related parties	37,10	4.297.996	9.440.885
-Other trade payables	10	234.559.612	183.276.242
Employee benefit obligations	11	5.086.606	4.625.137
Other payables	11	7.403.233	7.087.963
-Other payables to related parties	37,11	-	-
-Other payables to third parties	11	7.403.233	7.087.963
Liabilities due to financial sector operations	12	-	-
Government incentives and grants	21	-	-
Deferred income	11	3.617.335	10.528.621
Income tax payable	35	9.500.180	9.934.096
Short-term provisions		11.654.507	6.778.445
-Provisions for short-term employee benefits	22	9.133.686	5.649.630
-Other short-term provisions	22	2.520.821	1.128.815
Other current liabilities		-	-
Total		324.332.668	381.051.707
Liabilities related to assets held for sale	34	-	-

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Consolidated statement of financial position as of December 31, 2014 (Currency - Turkish Lira (TL))**

Liabilities		Current period (Audited)	Prior period (Audited)
		December 31, 2014	December 31, 2013
Non-current liabilities	Notes	122.256.671	96.061.153
Financial liabilities	8,37	50.081.606	29.922.691
- Payables from financial borrowings		50.081.606	29.922.691
- Payables from financial leases		-	-
Other financial liabilities	9	-	-
Trade payables	10	-	-
Other payables	11	-	-
Liabilities due to financial sector operations	12	-	-
Government incentives and grants	21	-	-
Long-term provisions	22,24	25.534.996	21.814.474
- Provisions for long-term employee benefits	24	22.299.859	19.255.775
- Other long term provisions	22	3.235.137	2.558.699
Deferred tax liability	35	46.640.069	44.323.988
Other non - current liabilities		-	-
Equity		1.155.907.244	1.000.105.548
Equity attributable to parent	27	1.143.040.325	987.571.519
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		(1.603.056)	359.209
Other comprehensive income or expenses to be reclassified to profit or loss in subsequent periods			
- Revaluation reserves		172.109.332	119.098.785
Restricted reserves allocated from profits		126.218.761	112.472.915
Retained earnings		172.921.693	173.128.956
Net income for the year		248.768.945	157.887.004
Non-controlling interest	27	12.866.919	12.534.029
		-	-
Total liabilities and equity		1.602.496.583	1.477.218.408

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Consolidated income statement for the year ended December 31, 2014 (Currency - Turkish Lira (TL))**

		Current period (Audited)	Prior period (Audited)
	Notes	January 1 – December 31, 2014	January 1 – December 31, 2013
Continuing operations			
Revenue	28	1.410.850.235	1.202.224.568
Cost of sales (-)	28	(1.019.225.623)	(938.624.067)
Gross profit from business activities		391.624.612	263.600.501
Revenues from financial sector operations		-	-
Cost of financial sector operations(-)		-	-
Gross profit from financial operations		-	-
Gross profit		391.624.612	263.600.501
Selling, marketing and distribution expense (-)	29,30	(16.559.646)	(12.566.108)
General and administrative expense (-)	29,30	(50.629.143)	(45.227.895)
Research and development expense (-)	29,30	-	-
Other operating income	31	9.128.726	12.872.537
Other operating expense (-)	31	(13.598.201)	(15.359.528)
Operating profit		319.966.348	203.319.507
Profit/loss from investments accounted under equity method		-	-
Income from investment activities	32	19.321.561	12.408.586
Loss from investment activities	33	(2.727.073)	(602.275)
Financial income	32	6.598.413	7.993.255
Financial expense (-)	33	(34.456.412)	(26.172.360)
Net income before taxes from continuing operations		308.702.837	196.946.713
Tax income/expense for continuing operations		(58.441.188)	(37.533.986)
- Tax income/(expense) for the period	35	(58.363.998)	(38.134.875)
- Deferred tax income/(expense)	35	(77.190)	600.889
Continuing operations net profit		250.261.649	159.412.727
Discontinuing operations			
Net profit/loss after taxes from discontinuing operations		-	-
Net profit		250.261.649	159.412.727
Attributable to			
Non-controlling interest	27	1.492.704	1.525.723
Equity holders of the parent	27	248.768.945	157.887.004
Earnings per share (Kr)	36	1,299	0,825
Earnings per share from continuing operations (Kr)	36	1,299	0,825
Weighted average number of shares		19.144.706.825	19.144.706.825

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Consolidated statement of other comprehensive income for the year ended December 31, 2014
(Currency - Turkish Lira (TL))**

		Current period (Audited)	Prior period (Audited)
	Notes	January 1 – December 31, 2014	January 1 – December 31, 2013
Net profit		250.261.649	159.412.727
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	(2.452.832)	2.665.349
Tax regarding other comprehensive income that will not be reclassified to profit or loss -Deferred tax income /(expense)	35	490.567	(533.070)
Items to be reclassified to profit or loss in subsequent periods (classified)			
Change in revaluation reserve of financial assets	27	55.800.577	27.415.065
Tax regarding other comprehensive income that will be reclassified to profit or loss - Deferred tax income /(expense)	35	(2.790.030)	(1.370.752)
Other comprehensive income/(loss)(after tax)		51.048.282	28.176.592
Total comprehensive income		301.309.931	187.589.319
Distribution of total comprehensive income:			
Non-controlling Interest		1.492.704	1.525.723
Equity holders of the parent		299.817.227	186.063.596

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Consolidated statement of changes in equity for the year ended December 31, 2014
(Currency - Turkish Lira (TL))**

	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, 2013	191,447,068	233,177,582	102,296,290	93,054,472	(1,773,070)	120,033,265	173,250,940	911,486,547	11,705,195	923,191,742
Transfers	-	-	10,168,908	-	-	(120,033,265)	109,864,357	-	-	-
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 loss (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	112,472,915	119,098,785	359,209	157,887,004	173,128,956	987,571,519	12,534,029	1,000,105,548
Balance at January 1, 2014	191,447,068	233,177,582	112,472,915	119,098,785	359,209	157,887,004	173,128,956	987,571,519	12,534,029	1,000,105,548
Transfers	-	-	13,693,401	-	-	(157,887,004)	144,193,603	-	-	-
Dividends paid (Note 36)	-	-	-	-	-	-	(144,400,866)	(144,400,866)	(1,159,814)	(145,560,680)
Current period profit	-	-	-	-	-	248,768,945	-	248,768,945	1,492,704	250,261,649
Increase due to share-based transactions	-	-	52,445	-	-	-	-	52,445	-	52,445
Other comprehensive income - Net unrealized gain on financial assets (Note 7)	-	-	-	55,800,577	-	-	-	55,800,577	-	55,800,577
Other comprehensive income- actuarial gain (Note 24)	-	-	-	-	(2,452,832)	-	-	(2,452,832)	-	(2,452,832)
Tax income/expense related with other comprehensive income (Note 35)	-	-	-	(2,790,030)	490,567	-	-	(2,299,463)	-	(2,299,463)
Total other comprehensive income	-	-	-	53,010,547	(1,962,265)	-	-	51,048,282	-	51,048,282
Total comprehensive income	-	-	-	53,010,547	(1,962,265)	248,768,945	-	299,817,227	1,492,704	301,309,931
Balance at December 31, 2014	191,447,068	233,177,582	126,218,761	172,109,332	(1,603,056)	248,768,945	172,921,693	1,143,040,325	12,866,919	1,155,907,244

The accompanying policies and explanatory notes on pages 9 through 61 form an integral part of the consolidated financial statements.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Consolidated statement of cash flows for the year ended December 31, 2014
(Currency - Turkish Lira (TL))**

		Current period (Audited)	Prior period (Audited)
	Notes	January 1- December 31, 2014	January 1- December 31, 2013
Cash flows from operating activities			
Profit before tax and non-controlling interest		308.702.837	196.946.713
Reconciliation between net profit before taxation and non-controlling interest and cash generated from operating activities:			
Unrealized foreign exchange expense/income		-	274.000
Corrections regarding share-based transactions	27	52.445	7.717
Depreciation and amortization	18, 19, 30	65.320.794	63.428.181
Provision for employee termination benefits	24	1.287.044	1.605.368
Seniority incentive premium	24	1.787.575	1.069.107
Recultivation provision, net	22	231.048	351.882
Loss /(Gain) on sale of property, plant and equipment and intangibles	32,33	1.131.440	(880.843)
Interest expense	33	29.278.022	20.618.531
Interest income	32	(879.936)	(563.844)
Provision for doubtful receivables	10	2.151.323	2.742.701
Dividend income	32	(17.725.928)	(10.925.468)
Change in provision for litigations	22	1.938.267	1.497.701
Provision for inventory valuation	13	1.446.361	5.480.283
Vacation pay provision expense /(income)	22	427.011	456.201
Other provisions	22	5.876.985	2.961.075
Operating profit before changes in operating assets and liabilities		401.025.288	285.069.305
Net changes in operating assets and liabilities			
Trade receivables		(8.687.661)	(41.475.120)
Other receivables		(2.495.852)	6.821.393
Inventories		(23.207.161)	(2.011.231)
Other current assets		20.613	9.663
Prepaid expenses		3.446.511	(6.688.557)
Trade payables		46.140.481	45.645.866
Employee benefit obligations		461.469	568.680
Other payables		315.270	(207.373)
Deferred revenue		(6.911.286)	7.104.403
Taxes paid		(58.797.914)	(35.369.596)
Employee termination benefits paid	24	(2.460.336)	(2.482.192)
Bonuses paid	22	(2.819.940)	(1.855.000)
Litigation provisions paid	22	(546.261)	(1.478.494)
Seniority incentive premiums paid	24	(1.492.587)	(1.043.164)
Collections from doubtful receivables	10	36.308	333.211
Net cash provided by operating activities		344.026.942	252.941.794

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Consolidated statement of cash flows for the year ended December 31, 2014
(Currency - Turkish Lira (TL))**

		Current period (Audited)	Prior period (Audited)
	Notes	1 Ocak- 31 Aralık 2014	1 Ocak- 31 Aralık 2013
Cash flows from investing activities			
Cash outflows made for acquisition of shares or debt instruments of other entities or funds		(91.875)	(198.099)
Purchase of tangible assets	18	(113.689.200)	(88.486.562)
Proceeds from sale of property, plant and equipment and intangible assets		2.545.201	1.845.297
Dividends received	32	17.725.928	10.925.468
Net cash used in investing activities		(93.509.946)	(75.913.896)
Cash flows from financing activities			
Proceeds from short-term borrowings		471.819.924	496.385.537
Interest received		859.323	562.240
Repayment of borrowings		(544.898.064)	(548.957.041)
Dividend paid	27	(144.400.866)	(109.986.341)
Dividend paid to non-controlling interest		(1.159.814)	(696.889)
Repayment of finance lease obligations		(192.087)	(182.259)
Interest paid		(35.101.053)	(11.971.578)
Net cash used in financing activities		(253.072.637)	(174.846.331)
Net (decrease)/increase in cash and cash equivalents		(2.555.641)	2.181.567
Cash and cash equivalents at the beginning of the year	6	15.833.231	13.651.664
Cash and cash equivalents at the end of the period	6	13.277.590	15.833.231

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014 (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, Mortelmaatschappij 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 İstanbul 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 is Kısıklı Caddesi, No: 38, Altunizade, Üsküdar, İstanbul.

The consolidated financial statements are authorized for issue by the management on February 24, 2015. 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, 2014 and December 31, 2013, the number of personnel (all employed in Turkey) is 1.201 and 1.125, 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 subsidiary maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.1 Basis of preparation (continued)

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.

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, 2014 and December 31, 2013 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 31 December 2014 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2014. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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)

The new standards, amendments and interpretations which are effective as at 1 January 2014 are as follows:

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 did not have an impact on the consolidated financial statements of the Company.

TFRS 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 not applicable for the Company and did not have any impact on the financial position or performance of the Company.

TAS 36 Impairment of Assets (Amended) - 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 has 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. These amendments did not have an impact on the consolidated financial statements of the Company.

TAS 39 Financial Instruments: Recognition and Measurement (Amended)-Novation of Derivatives and Continuation of Hedge Accounting

Amendments 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. These amendments did not have an impact on the consolidated financial statements of the Company.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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)

TFRS 10 Consolidated Financial Statements (Amendment)

TFRS 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 TFRS. This amendment does not have any impact on the financial position or performance of the Company.

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 are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS 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. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after 1 July 2014. The amendments will not have an impact on the financial position or performance of the Company.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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)

TFRS 11 Acquisition of an Interest in a Joint Operation (Amendment)

TFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in TFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in TFRS 3 and other TFRSs except for those principles that conflict with the guidance in this TFRS. In addition, the acquirer shall disclose the information required by TFRS 3 and other TFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Company.

TAS 16 and TAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation
(Amendments to TAS 16 and TAS 38)

The amendments to TAS 16 and TAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Company.

TAS 16 Property, Plant and Equipment and TAS 41 Agriculture (Amendment) – Bearer Plants

TAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in TAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of TAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

Annual Improvements to TAS/TFRSs

In September 2014, Public Oversight Authority (POA) has issued the below amendments to the standards in relation to "Annual Improvements - 2010–2012 Cycle" and "Annual Improvements - 2011–2013 Cycle. The changes are effective for annual reporting periods beginning on or after 1 July 2014.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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)

Annual Improvements - 2010–2012 Cycle

TFRS 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.

TFRS 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 TFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

TFRS 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.

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

The amendment to TAS 16.35(a) and TAS 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.

TAS 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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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)

Annual Improvements – 2011–2013 Cycle
TFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of TFRS 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.

Amendment to the Basis for Conclusions on TFRS 13 Fair Value Measurement

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

TAS 40 Investment Property

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

The Company does not expect that these amendments will have significant 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 Public Oversight Authority (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.

Annual Improvements – 2010–2012 Cycle
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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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)

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 is effective for reporting periods beginning on or after 1 January 2017, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

IAS 27 Equity Method in Separate Financial Statements (Amendments to IAS 27)

In August 2014, IASB issued an amendment to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

- At cost
 - In accordance with IFRS 9 (or IAS 39),
- Or
- Using the equity method

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(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)

UMS 27 – Bireysel Mali Tablolarda Özkaynak Yöntemi – UMS 27’de Değişiklik (devamı)

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The amendment is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

Annual Improvements to IFRSs - 2012-2014 Cycle

In September 2014, IASB issued their annual cycle of improvements to IFRSs, Annual Improvements to IFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures – servicing contracts; applicability of the amendments to IFRS 7 to condensed interim financial statements
- IAS 19 Employee Benefits – regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting – disclosure of information ‘elsewhere in the interim financial report’

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In September 2014, IASB issued amendments to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors’ interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 and IAS 28)

ALTERNATIVE 1: In December 2014, IASB issued amendments to IFRS 10, IFRS 12 and IAS 28, to address the issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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 1: Disclosure Initiative (Amendments to IAS 1)

In December 2014, IASB issued amendments to IAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Company.

2.3 Comparative information and reclassification of prior period financial statements

The Company reclassified extraordinary reserves amounting to TL 7.373.372 presented under restricted reserves allocated from net profit in 2013 by error to retained earnings in its consolidated balance sheet as of December 31, 2013 and in its statement of changes in equity for the year then ended.

The Company reclassified idle time expenses amounting to TL 974.649 which was presented under other operating expense in 2013 to cost of sales, TL 778.496 to depreciation and amortization expense and the remaining TL 196.153 to other factory overhead under cost of sales, in its consolidated statement of income for the year ended December 31, 2013.

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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.4. Significant accounting judgments and estimates (continued)

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 assumptions about discount rates used and Company's future operations. As a result of these analyses, the Company's management has concluded that there is no impairment in the non-financial assets (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.

The results of subsidiaries acquired or disposed during the year are included in consolidated comprehensive income statement after the acquisition date or until the disposal date. Total comprehensive income is transferred to equity holders of the parent and non- controlling interests even if the non-controlling interests result in reverse balance.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

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.

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 TAS 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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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.

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.

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

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)
2.5 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation 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 for goodwill.

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, 2014 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, 2014	2,3189	2,8207
December 31, 2013	2,1343	2,9365

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Provisions, contingent assets and liabilities

Provisions

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

Contingent assets and liabilities

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

Income tax

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

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

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

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

Employee benefits/ retirement pay liability/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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(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 (continued)

(a) Defined benefit plan: (continued)

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 provisions for long term employee benefits.

(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 10.187.572 as of December 31, 2014 (December 31, 2013 – TL 9.740.572).

(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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Leases (continued)

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.

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:

Söz konusu kişinin,

- (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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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.

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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014 (Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best fair value is the quoted market price of a financial instrument, if available.

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

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(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, 2014 and December 31, 2013, 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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Financial investments (continued)

Impairment of financial assets (continued)

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.

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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)**

2. Basis of preparation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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.

2.6 Convenience translation into English of consolidated financial statements originally issued in Turkish

As of December 31, 2014, the accounting principles described in Note 2.1 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting, certain reclassifications and also for certain disclosures requirement of the POA/CMB. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

3. Business combinations

None.

4. Joint ventures

The Company does not have any joint ventures as of December 31, 2014 and December 31, 2013.

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, 2014 and December 31, 2013; information about the Company's segments consists of revenues and profits related with cement (including clinker and aggregate) and ready mix concrete.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014**
(Currency - Turkish Lira (TL) unless otherwise indicated)**5. Segment reporting (continued)**

January 1 – December 31, 2014	Cement	Ready mix concrete	Undistributed	Elimination	Total
Net Sales	1.040.892.181	538.249.807	-	(168.291.753)	1.410.850.235
Cost of sales (-)	(655.747.887)	(531.769.489)	-	168.291.753	(1.019.225.623)
Gross profit	385.144.294	6.480.318	-	-	391.624.612
Operating expense (-)	(54.738.716)	(12.450.073)	-	-	(67.188.789)
Other operating income / expense (-), net	(5.144.712)	675.237	-	-	(4.469.475)
Operating profit	325.260.866	(5.294.518)	-	-	319.966.348
Income/Expense from investment activities (-), net	17.488.555	(894.067)	-	-	16.594.488
Financial income / expense (-), net	(27.854.395)	(3.604)	-	-	(27.857.999)
Net income before taxes from continuing operations	314.895.026	(6.192.189)	-	-	308.702.837
Tax income/expense for continuing operations, net	-	-	(58.441.188)	-	(58.441.188)
Tax expense for the period (-)	-	-	(58.363.998)	-	(58.363.998)
Deferred tax income/(expense)	-	-	(77.190)	-	(77.190)
Continuing operations net profit	314.895.026	(6.192.189)	(58.441.188)	-	250.261.649

December 31, 2014	Cement	Ready mix concrete	Undistributed	Elimination	Total
Assets and Liabilities					
Segment assets	1.123.246.543	227.456.714	-	-	1.350.703.257
Investments	-	-	220.771.458	-	220.771.458
Undistributed assets	-	-	31.021.868	-	31.021.868
Total Assets	1.123.246.543	227.456.714	251.793.326	-	1.602.496.583
Undistributed liabilities	-	-	1.602.496.583	-	1.602.496.583
Total liabilities	-	-	1.602.496.583	-	1.602.496.583

January 1- December 31, 2014**Other segment information****Capital expenditures (expenses)**

Tangible and intangible fixed assets	99.864.498	13.824.702	-	-	113.689.200
Total capital expenditures	99.864.498	13.824.702	-	-	113.689.200
Depreciation expenses	52.137.106	10.854.781	-	-	62.991.887
Amortization expenses	2.267.906	61.001	-	-	2.328.907

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****5. Segment reporting(continued)**

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 (-)	(618.768.648)	(453.445.825)	-	133.590.406	(938.624.067)
Gross profit	253.937.571	9.662.930	-	-	263.600.501
Operating expense (-)	(46.726.760)	(11.067.243)	-	-	(57.794.003)
Other operating income / expense (-), net	(1.516.386)	(970.605)	-	-	(2.486.991)
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

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014 (Currency - Turkish Lira (TL) unless otherwise indicated)

6. Cash and cash equivalents

	December 31, 2014	December 31, 2013
Cash at banks (including short-term time deposits)	7.694.764	11.987.371
Checks in collection with maturities before year end	5.582.820	3.845.573
Cash in hand	6	287
Total	13.277.590	15.833.231

Depending on the immediate cash requirements of the Company, time deposits have 1-30 days maturities for TL (December 31, 2013 – 1-30 days for TL and USD). Interest rates for TL time deposits are 9,30% - 9,75% (December 31, 2013 for TL 4,50% - 9,40%, for USD 0,50% - 2,50%)

The Company does not have blocked deposits as of December 31, 2014 and December 31, 2013.

7. Financial investments

- Short term

None.

- Long term

	December 31, 2014		December 31, 2013	
	Share (%)	Amount	Share (%)	Amount
Available for sale financial assets- fair value				
Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi (Çimsa)	8,98	194.088.960	8,98	138.288.383
Total		194.088.960		138.288.383
Available for sale financial assets- value at cost				
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	15,00	22.860.787	15,00	22.860.787
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	293.785	12,25	201.910
Total		220.771.458		164.879.006

Fair value of Çimsa of which shares are traded on the Borsa İstanbul 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, 2014 and December 31, 2013. The current year fair value increase amounting to TL 55.800.577 (December 31, 2013 – TL 27.415.065 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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****8. Financial liabilities
Short term financial liabilities**

December 31, 2014	Currency	Balance	Maturity	TL Balance
Short term loans	TL (**)	375.000	May 4, 2015	379.090
	TL (**)	375.000	June 1, 2015	376.471
	TL (*) (**)	15.746.786	-	15.746.786
	TL (*) (**)	1.295.758	-	1.295.758
Total				17,798,100
December 31, 2013	Currency	Balance	Maturity	TL Balance
Short term loans	TL (**)	30.000.000	February 27, 2014	31.707.307
	TL (**)	110.000.000	March 28, 2014	115.723.605
	TL (*) (**)	1.123.986	-	1.123.986
				148.554.898

Short term portion of long-term borrowings

December 31, 2014	Currency	Balance	Maturity	TL Balance
Short-term portion of long term loans	TL (**)	30.000.000	January 2, 2015	30.415.094
				30.415.094
December 31, 2013	Currency	Balance	Maturity	TL Balance
Short-term portion of long term loans	TL (**)	-	January 12, 2014	633.333
				633.333

Long term financial liabilities

December 31, 2014	Currency	Balance	Maturity	TL Balance
Long term financial liabilities	TL (**)	50.000.000	September 25, 2017	50.081.606
				50.081.606
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

(*) Temporary short-term interest-free loans

(**) Fixed interest rate loans

Long-term loans repayment schedule is as follows:

	December 31, 2013	December 31, 2013
2015	-	29.922.691
2016	-	-
2017	50.081.606	-
	50.081.606	29.922.691

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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, 2014, the Company does not have any short term USD financial lease obligations.(December 31, 2013 – TL 192.087).

As of December 31, 2014, the Company does not have any long term financial lease obligations. (December 31, 2013 – None).

Financial lease commitments	December 31, 2014	December 31, 2013
In a year	-	192.087
1-5 years	-	-
Total financial lease obligations	-	192.087
Interest	-	-
Net present value of total financial lease obligations	-	192.087

9. Other financial liabilities

As of December 31, 2014, there are no other financial liabilities (December 31, 2013 - None).

10. Trade receivables and payables

Trade receivables

Short-term trade receivables

	December 31, 2014	December 31, 2013
Trade receivables (net)	183.885.155	169.887.795
Notes receivables and post-dated checks	136.830.159	132.836.663
Due from associates (Note 37)	39.073	36.594
Due from other related parties (Note 37)	12.082.321	23.821.554
Doubtful receivables	12.021.733	9.906.718
Provision for doubtful receivables (-)	(12.021.733)	(9.906.718)
	332.836.708	326.582.606

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)**

10. Trade receivables and payables (continued)

Trade receivables (continued)

Short-term trade receivables (continued)

The effective interest rates used to calculate net book value of the receivables are 10,0200% for TL, 0,2560% for USD and 0,0590% for EUR (December 31, 2013 – 10,1279% for TL, 0,5831 % for USD and 0,5189% for EUR).

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, 2014 and December 31, 2013 is as follows:

	December 31, 2014	December 31, 2013
January 1	9.906.718	7.497.228
Additions (Note 29)	2.151.323	2.742.701
Collections (Note 29)	(36.308)	(333.211)
	12.021.733	9.906.718

Collection term of trade receivables vary depending upon the type of product and the agreement and the average maturity of trade receivables is 83 days for cement (December 31, 2013 – 86 days) and 79 days for ready-mixed concrete (December 31, 2013 – 77 days).

As of December 31, 2014 and December 31, 2013, the maturity analysis of trade receivables is as follows:

	Past due but not impaired						
	Neither past due nor impaired	Less than one month	1-2 months	2-3 months	3-4 months	More than 4 months	Total
December 31, 2014	175.242.260	5.005.516	1.046.461	951.393	790.022	849.503	183.885.155
December 31, 2013	165.256.081	3.406.211	494.623	242.111	113.938	374.831	169.887.795

Trade payables

Short term trade payables

	December 31, 2014	December 31, 2013
Trade payables (net)	234.559.612	183.276.242
Due to associates (Note 37)	1.557.212	539.320
Due to other related parties (Note 37)	2.462.737	8.649.718
Due to shareholders (Note 37)	278.047	251.847
	238.857.608	192.717.127

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 10,0200% (December 31, 2013 – 10,1279%) for TL, 0,2560% (December 31, 2013 - 0,5831%) for USD and 0,0590 % (December 31, 2013 - 0,5189%) for EUR.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

11. Other receivables, other payables, deferred income and employee benefit obligations

Short term other receivables

	December 31, 2014	December 31, 2013
Deferred VAT	3.873.373	681.573
Deposits and guarantees given	9.550	9.550
Due from personnel (Note 37)	7.099	739.689
Other	561.756	525.114
	4.451.778	1.955.926

Short term other payables

	December 31, 2014	December 31, 2013
Deposits and guarantees received	3.149.626	2.772.524
Other liabilities payable (*)	2.343.616	2.499.243
Taxes and funds payable	1.909.980	1.712.982
Other various payables	11	103.214
	7.403.233	7.087.963

(*) Major portion of the balance is the portion to be paid to State for mine extracting revenue.

Deferred income

	December 31, 2014	December 31, 2013
Advances received	3.617.335	10.528.621
	3.617.335	10.528.621

Short term employee benefit obligations

	December 31, 2014	December 31, 2013
Social security premiums payable	2.128.042	1.862.314
Taxes and funds payable	1.905.907	1.734.685
Due to personnel (Note 37)	1.052.657	1.028.138
	5.086.606	4.625.137

Other long term receivables

	December 31, 2014	December 31, 2013
Deposits and guarantees given	811.889	565.961
	811.889	565.961

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

Other long term payables

As of December 31, 2014 and December 31, 2013, the Company does not have any other long term payables.

12. Receivables and payables from financial sector operations

The Company does not have any financial sector operations as of December 31, 2014 and December 31, 2013.

13. Inventories

	December 31, 2014	December 31, 2013
Raw materials, net	98.746.599	94.990.757
Work-in-process	15.460.685	13.306.143
Goods-in transit	9.661.229	5.663.164
Finished goods	14.965.287	3.112.936
	138.833.800	117.073.000

The Company recognized impairment on inventories with the amount of TL 1.446.361 in 2014. (December 31, 2013 – TL 5.480.283).

14. Biological assets

The Company does not have any biological assets as of December 31, 2014 and December 31, 2013.

15. Assets related with construction projects in progress

The Company does not have any construction projects as of December 31, 2014 and December 31, 2013.

16. Investments accounted under equity method

The Company does not have any investments accounted under equity method as of December 31, 2014 and December 31, 2013.

17. Investment properties

The Company does not have any investment properties as of December 31, 2014 and December 31, 2013.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014**
(Currency - Turkish Lira (TL) unless otherwise indicated)**18. Property, plant and equipment**

	January 1, 2014	Additions	Transfers (*)	Disposals	December 31, 2014
Cost:					
Land, and land improvements	145.116.880	229.904	2.929.464	(1.050.181)	147.226.067
Buildings	264.098.988	-	19.330.535	(1.338.681)	282.090.842
Machinery and equipment	1.251.229.505	64.236	83.736.876	(21.999.238)	1.313.031.379
Furniture, fixtures and motor vehicles	80.240.929	322.100	2.488.605	(3.842.837)	79.208.797
Leasehold improvements	53.516.271	1.350	2.765.824	(162.024)	56.121.421
Construction-in-progress	31.382.896	113.071.610	(114.533.701)	-	29.920.805
Total	1.825.585.469	113.689.200	(3.282.397)	(28.392.961)	1.907.599.311
Accumulated depreciation:					
Land, and land improvements	76.407.198	3.152.436	-	(764.588)	78.795.046
Buildings	151.060.879	11.005.886	-	(933.473)	161.133.292
Machinery and equipment	850.222.357	39.010.335	-	(19.278.064)	869.954.628
Furniture, fixtures and motor vehicles	48.816.867	6.168.898	-	(3.628.613)	51.357.152
Leasehold improvements	34.036.012	3.654.332	-	(111.582)	37.578.762
Total	1.160.543.313	62.991.887	-	(24.716.320)	1.198.818.880
Property, plant and equipment, net	665.042.156				708.780.431
	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
Total	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

(*) As of December 31, 2014, there has been a transfer amounting TL 3.282.397 from ongoing investments to intangible assets. (December 31, 2013 - TL 2.461.418)

As of December 31, 2014, the total cost of tangible assets purchased with financial leasing amounts TL 20.288.926 (December 31, 2013 – TL 21.033.378) and the total accumulated depreciation amounts TL 11.826.555 (December 31, 2013 – TL 11.183.580).

There are no purchases of property, plant, equipment and intangible assets with financial leasing in year 2014 and 2013.

As of December 31, 2014, total gross value of property, plant and equipment and intangible assets which are fully depreciated/amortized but are still in use is TL 696.373.700 (December 31, 2013 – TL 675.465.437).

Pledge and mortgages on assets

There are no pledges or mortgages on Company's property, plant and equipments as of December 31, 2014 and December 31, 2013.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014**
(Currency - Turkish Lira (TL) unless otherwise indicated)**19. Intangible assets**

	January 1, 2014	Additions / charge	Transfers from construction-in-progress	Disposals	December 31, 2014
Cost					
Rights and other intangibles	54.897.160	-	3.282.397	-	(*)58.179.557
Less: Accumulated amortization					
Rights and other intangibles	19.668.559	2.328.907	-	-	(**)121.997.466
Intangible assets, net	35.228.601				36.182.091

	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

(*) As of December 31, 2014, intangible assets amounting to TL 41.195.255 consist of mining rights (December 31, 2013 - TL 41.195.255).

(**) As of December 31, 2014, TL 10.159.883 of this amount consists of mining rights related accumulated amortization (December 31, 2013 - TL 9.496.444).

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, 2014, 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 2024 considers the weighted average cost of capital as 11,29% (12,70% - December 31, 2013) and performing sensitivity test at 3% (3% - December 31, 2013). 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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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, 2014	December 31, 2013
Vacation pay liability	3.115.566	2.688.555
Bonus accruals to be paid to executive management	6.018.120	2.961.075
	9.133.686	5.649.630

Other short term provisions

	December 31, 2014	December 31, 2013
Litigation provision	2.520.821	1.128.815
	2.520.821	1.128.815

	Litigations (Note 31)	Vacation pay liability	Bonus accruals to be paid to executive management
January 1, 2014	1.128.815	2.688.555	2.961.075
Change in vacations, net	-	427.011	-
Charge for the current year	28.000	-	6.018.120
Payments	(546.261)	-	(2.819.940)
Changes in the estimations	1.910.267	-	(141.135)
December 31, 2014	2.520.821	3.115.566	6.018.120

	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	-	-
31 Aralık 2013	1.128.815	2.688.555	2.961.075

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

22. Provisions, contingent assets and liabilities (continued)

Other long term provisions

Recultivation Provision	December 31, 2014	December 31, 2013
January 1	2.558.699	2.291.388
Charge for the year	231.048	351.882
Discount effect	445.390	(84.571)
31 Aralık	3.235.137	2.558.699

Guarantees received and given

As of December 31, 2014 and December 31, 2013 guarantees received and given can be presented as follows:

	Currency	Original amount	December 31, 2014	Original amount	December 31, 2013
			TL equivalent		TL equivalent
Letters of guarantee received	EURO	2.388.579	6.737.466	1.086.629	3.190.886
Letters of guarantee received	USD	374.568	868.585	270.468	577.259
Letters of guarantee received	CHF	-	-	35.989	86.010
Letters of guarantee received	TL	-	182.177.573	138.226.247	138.226.247
Mortgages received	TL	-	11.962.374	11.113.901	11.113.901
Cheques and notes received	TL	-	13.248.463	12.336.963	12.336.963
Cheques and notes received	EURO	53.100	149.779	719.900	2.113.986
Cheques and notes received	USD	135.225	313.573	135.225	288.611
Total guarantees received			215.457.813		167.933.863

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

22. Provisions, contingent assets and liabilities (continued)

Guarantees received and given (continued)

	Currency	Original amount	December 31, 2014 TL equivalent	Original amount	December 31, 2013 TL equivalent
A. Total amount of guarantees given on the behalf of legal entity		-	33.192.349		18.212.282
	TL	-	30.863.425	-	16.271.839
	USD	362.674	841.005	458.576	978.739
	EURO	527.500	1.487.919	327.500	961.704
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 guarantees given on behalf of third parties which is not under Section C		-	-	-	-
Total guarantees given			33.192.349		18.212.282

The percentage of the Company's other GPMs to the Company's equity is 0% as of December 31, 2014 (December 31, 2013 - 0%).

Insurance coverage on assets

Insurance coverage on assets including cash, inventories and property, plant and equipment of the Company is TL 1.739.980.710 (December 31, 2013 – TL 1.606.153.038).

Litigations

As of December 31, 2014, there were a number of legal proceedings outstanding against the Company in which total claims amounted to TL 6.855.950 (December 31, 2013 – TL 5.262.494). 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, 2014, the Company has provided a provision for an amount of TL 2.520.821 (December 31, 2013– TL 1.128.815) for the litigations, which may result against the Company in the future and which are not covered by the employer's insurance.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

22. Provisions, contingent assets and liabilities (continued)

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, 2014, the Company has accounted a recultivation provision at an amount of TL 3.235.137 (December 31, 2013 – TL 2.558.699) in "Long term provisions".

Forward and option contracts

As of December 31, 2014, the Company has no outstanding forward and option contracts (December 31, 2013 - None).

23. Commitments

Operational lease commitments

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

Operating lease commitments	December 31, 2014	December 31, 2013
Within one year	3.300.667	2.653.244
After one year but not more than five years	3.794.074	4.126.377
More than five years	2.028.000	2.106.000
	9.122.741	8.885.621

As of December 31, 2014, TL 2.893.719 (December 31, 2013 – TL 2.682.552) of the Company's expenses related with the operating lease transactions is reflected in the consolidated income statement.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****24. Employee benefits****Long term provision for employee termination benefits**

	December 31, 2014	December 31, 2013
Provision for employee termination benefits	17.907.259	15.158.163
Seniority incentive premium	4.392.600	4.097.612
	22.299.859	19.255.775

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 3.438,22 as of December 31, 2014 (December 31, 2013 - TL 3.254,44) per year of employment.

In accordance with TAS 19 - Employee Benefits, actuarial calculations are necessary for determining the Company's liabilities. The Company accounts for the employee termination benefits by using "Projection Method" in accordance with 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, 2014	December 31, 2013
Discount rate	%9,10	%10,20
Estimated salary increase rate	%5,00	%5,00

Movement of the reserve for the employee termination benefits as of December 31, 2014 and December 31, 2013 is as follows:

Provision for employee termination benefits	December 31, 2014	December 31, 2013
January 1	15.158.163	17.250.657
Retirement pay liability paid	(2.460.336)	(2.482.192)
Actuarial gain/loss	2.452.832	(2.665.349)
Interest expense	1.469.556	1.449.679
Charge for the year	1.287.044	1.605.368
	17.907.259	15.158.163

Sensitivity analysis of the discount rates used for retirement pay liability calculation as of December 31, 2014 and December 31, 2013 is as follows:

	2014		2013	
	1% decrease	1% decrease	1% decrease	1% decrease
Sensitivity	(%8,1)	(%10,1)	(%9,2)	(%11,2)
Retirement pay liability change	1.336.553	(1.145.765)	1.024.701	(890.454)

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(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, 2014	December 31, 2013
Opening	4.097.612	4.071.669
Paid seniority incentive premium	(1.492.587)	(1.043.164)
Charge for the year	1.787.575	1.069.107
	4.392.600	4.097.612

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, 2014 and December 31, 2013.

26. Prepaid expenses, other assets and liabilities

Short term prepaid expenses

	December 31, 2014	December 31, 2013
Advances given to suppliers	7.557.446	13.856.852
Prepaid expenses	3.770.691	3.349.577
Advances given	79.795	65.275
	11.407.932	17.271.704

Long term prepaid expenses

	December 31, 2014	December 31, 2013
Investment advances	3.569.828	1.074.965
Prepaid rent expenses	1.043.014	1.120.616
	4.612.842	2.195.581

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

27. Shareholders' equity

Issued capital and adjustments to share capital and equity investments

	December 31, 2014	December 31, 2013
Number of common shares (authorized and		
TL 0,01 par value	19.144.706.825	19.144.706.825

As of December 31, 2014, the Company's paid-in capital is TL 191.447.068 (December 31, 2013 - TL 191.447.068) (based on historical costs).

As of December 31, 2014 and December 31, 2013, the composition of paid-in capital (presented in number of shares and historical cost) can be summarized as follows:

	December 31, 2014		December 31, 2013	
	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, 2014 and December 31, 2013, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2014		December 31, 2013	
	Amount	%	Amount	%
Hacı Ömer Sabancı Holding A.Ş.	76.035.136	39,72	76.035.136	39,72
HeidelbergCement Mediterranean Basin Holdings S.L.	76.035.135	39,72	76.035.135	39,72
Publicly traded shares	39.376.797	20,56	39.376.797	20,56
Nominal share capital total	191.447.068	100,00	191.447.068	100,00
Restatement effect	233.177.582		233.177.582	
Total	424.624.650		424.624.650	

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

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

27. Shareholders' equity (continued)

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.

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, 2014 and December 31, 2013, the composition of consolidated legal reserves, statutory reserves, extraordinary reserves, accumulated profit (loss) and other reserves can be summarized as follows:

	December 31, 2014	December 31, 2013
Legal reserves	126.218.905	112.473.058
Statutory reserves	35	35
Extraordinary reserves	8.933.230	7.373.372
Accumulated profit due to inflation difference	7.758.970	7.758.970
Other reserves	3.343.065	3.343.065

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

27. Shareholders' equity (continued)
Legal and other reserves (continued)

The Company resolved at the General Assembly meeting to pay TL 0,75426 gross=net dividend to TL 1 nominal share resulting in 75,426% 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 0,75426 gross, TL 0,641121 net dividend to TL 1 nominal share resulting in 75,426% has been paid to other shareholders. Total of TL 144.400.866 cash dividend payment has been made starting from March 28, 2014.

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 57,45% 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.

28. Sales and cost of sales

Sales revenue

	January 1 – December 31, 2014	January 1 – December 31, 2013
Domestic sales	1.304.881.144	1.053.163.062
Foreign sales	139.773.933	169.572.272
Sales discount (-)	(19.772.330)	(8.636.741)
Other discounts (-)	(30.059.463)	(25.501.102)
	1.394.823.284	1.188.597.491
Domestic service sales	16.026.951	13.627.077
Total	1.410.850.235	1.202.224.568

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

28. Sales and cost of sales (continued)

Cost of sales

	January 1 – December 31, 2014	January 1 – December 31, 2013
Direct material and supplies expenses	801.635.039	738.960.527
Direct labor expenses	60.527.375	52.238.550
Depreciation and amortization expenses	61.690.751	60.454.337
Other production expenses	79.974.551	71.527.749
Total production cost	1.003.827.716	923.181.163
Change in work-in-process	(2.154.542)	(2.701.506)
Beginning WIP	13.306.143	10.604.637
Ending WIP	15.460.685	13.306.143
Change in finished goods	(3.998.065)	1.547.412
Beginning finished goods	5.663.164	7.210.576
Ending finished goods	9.661.229	5.663.164
Cost of merchandise sold	11.927.149	9.383.692
Cost of domestic service sold	9.623.365	7.213.306
Total	1.019.225.623	938.624.067

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(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, 2014	January 1 – December 31, 2013
General and administrative expenses	50.629.143	45.227.895
Selling, marketing and distribution expenses	16.559.646	12.566.108
	67.188.789	57.794.003

Selling, marketing and distribution expenses

Personnel expenses	7.489.870	6.290.791
Representation and entertainment expenses	2.164.760	330.127
Doubtful receivable expenses	2.115.015	2.409.490
Sales guarantee expenses	1.265.704	857.385
Rent expenses	850.960	667.100
Outsourced services	685.495	470.907
Traveling expenses	260.588	228.930
Depreciation and amortization expenses	150.904	161.974
Employee termination benefits	126.817	129.324
Taxes, duties and fees	46.741	84.044
Other expenses	1.402.792	936.036
	16.559.646	12.566.108

	January 1 – December 31, 2014	January 1 – December 31, 2013
General and administrative expenses		
Personnel expenses	27.575.026	21.459.068
Consultancy expenses	6.849.320	5.990.450
Outsourced expenses	4.238.031	3.232.820
Depreciation and amortization expenses	3.479.139	2.811.870
Rent expenses	1.904.568	1.969.010
Representation and entertainment expenses	1.241.977	1.933.532
Employee termination benefits	(581.654)	1.307.859
Travelling expenses	818.290	669.836
Taxes, duties and fees	606.308	574.049
Insurance expenses	157.794	158.961
Various expenses	4.340.344	5.120.440
	50.629.143	45.227.895

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****30. Nature of expenses****Depreciation and amortization expenses**

	January 1 – December 31, 2014	January 1 – December 31, 2013
Property, plant and equipment		
Production costs	60.819.307	59.557.730
General and administrative expenses	2.025.729	1.913.793
Selling and distribution expenses	146.851	161.974
Total depreciation expenses	62.991.887	61.633.497
Intangible assets		
Production costs	871.444	896.607
General and administrative expenses	1.453.410	898.077
Selling and distribution expenses	4.053	-
Total amortization expenses	2.328.907	1.794.684

	January 1 – December 31, 2014	January 1 – December 31, 2013
Personnel expenses		
Wages and salaries	63.406.097	56.630.065
Other social expenses	28.974.737	21.740.480
Provision for employee termination benefits, net (Note 24)	2.756.600	3.055.047
	95.137.434	81.425.592

31. Other operating income / expenses**Other operating income**

	January 1 – December 31, 2014	January 1 – December 31, 2013
Operational foreign exchange gains	3.084.954	7.028.392
Rent income	1.217.073	1.497.553
Gain on sale of auxiliary materials	1.256.779	917.199
Maturity difference income	696.743	750.402
Reversal of lawsuit provisions (Note 22)	-	41.435
Rediscount income	197.941	-
Other	2.675.236	2.637.556
	9.128.726	12.872.537

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)**

31. Other operating income / expenses (continued)

Other operating expenses (-)

	January 1 – December 31, 2014	January 1 – December 31, 2013
Operational foreign exchange losses	2.157.000	3.833.835
Donations	3.702.667	3.207.997
Property and estate taxes	2.700.367	2.446.770
Nonallowable charges	1.383.967	1.346.646
Litigation provision (Note 22)	1.392.006	-
Rediscount expenses	72.265	1.412.145
Expense of rented terminals	824.027	1.127.397
Indemnity and punishments	574.047	990.708
Recultivation provision (Note 22)	231.048	351.882
Other	560.807	642.148
	13.598.201	15.359.528

32. Income from investing activities and financial income

As of December 31, 2014 and December 31, 2013, revenues from investment activities are as follows:

	January 1 – December 31, 2014	January 1 – December 31, 2013
Dividend income (*)	17.725.928	10.925.468
Gain on sale of property, plant and equipment, net	1.595.633	1.483.118
	19.321.561	12.408.586

(*) As of December 31, 2014 and December 31, 2013, details of dividend income are as follows:

	January 1 – December 31, 2014	January 1 – December 31, 2013
Çimsa	13.998.665	8.806.787
Arpaş	3.718.457	2.118.681
Altaş	8.806	-
	17.725.928	10.925.468

As of December 31, 2014 and December 31, 2013, details of financial income are as follows:

	January 1 – December 31, 2014	January 1 – December 31, 2013
Financial foreign exchange gains	5.718.477	7.429.411
Interest income	879.936	563.844
	6.598.413	7.993.255

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****33. Expenses from investing activities and financial expenses**

As of December 31, 2014 and December 31, 2013, details of expenses from investing activities are as follows:

	January 1 – December 31, 2014	January 1 – December 31, 2013
Loss on sale of property, plant and equipment, net	2.727.073	602.275
	2.727.073	602.275

As of December 31, 2014 and December 31, 2013, details of financial expenses are as follows:

	January 1 – December 31, 2014	January 1 – December 31, 2013
Interest expenses	29.278.022	20.618.531
Financial foreign exchange losses	5.178.390	5.553.829
	34.456.412	26.172.360

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, 2014 and December 31, 2013.

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

As of December 31, 2014 and December 31, 2013, details of deferred tax assets and liabilities are as follows:

	Deferred tax assets (*)			Deferred tax liabilities (*)		Deferred tax income (expense)
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	January 1 - December 31, 2014	January 1 - December 31, 2013
Temporary differences on property, plant and equipment & intangibles	-	-	(22.952.292)	(21.699.892)	(1.252.400)	(364.304)
Goodwill	-	-	(25.891.577)	(25.891.577)	-	-
Inventories	4.917.738	4.795.010	-	-	122.728	941.673
Allowance for employee termination benefits	3.090.886	3.031.632	-	-	59.254	(118.899)
Allowance for unearned/unaccrued interest included in receivables and payables, net	200.537	240.615	-	-	(40.078)	(106.219)
Recultivation provision	647.027	511.740	-	-	135.287	53.462
Other timing differences, net (including renewal fund)	3.076.840	2.178.821	-	-	898.019	219.326
Tax loss	-	-	-	-	-	(24.151)
Tax income/expense related with other comprehensive income	-	-	(8.657.794)	(6.358.331)	(2.299.463)	(1.903.822)
	11.933.028	10.757.818	(57.501.663)	(53.949.800)	(2.376.653)	(1.302.934)

(*) The net total of these two balances is presented in the balance sheet as deferred tax asset with the amount of TL 1.071.434 (December 31, 2013 – TL 1.132.006) and deferred tax liability with the amount of TL 46.640.069 (December 31, 2013 – TL 44.323.988).

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

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

As of December 31, 2014 and December 31, 2013, details of deferred tax assets and liabilities are as follows:

	December 31, 2014	December 31, 2013
Balance as at January 1,	43.191.982	41.889.048
Deferred income tax recognized in income statement	77.190	(600.889)
Tax income/expense related with other comprehensive income	2.299.463	1.903.823
Net balance at December 31, 2014 and December 31, 2013	45.568.635	43.191.982

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, 2014, the Company has no carried forward tax losses (December 31, 2013 - None)

Income tax payables as of December 31, 2014 and December 31, 2013 are summarized as follows:

	December 31, 2014	December 31, 2013
Current period corporate tax	58.363.998	38.134.875
Prepaid tax in current period	(48.863.818)	(28.200.779)
Income tax payable	9.500.180	9.934.096

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, 2014 and December 31, 2013 is as follows:

	January 1 - December 31, 2014	January 1 - December 31, 2013
Profit before tax and non-controlling interest	308.702.837	196.946.713
At the effective statutory income tax rate of 20%	(61.740.567)	(39.389.343)
Income exempt from tax	5.193.663	5.339.735
Expenses that are not deductible	(1.637.135)	(3.215.723)
Other	(257.149)	(268.655)
	(58.441.188)	(37.533.986)

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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, 2014 and 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.

Earnings per share and dividends per share distributed as follows:

	January 1 – December 31, 2014	January 1 – December 31, 2013
Net income for the period	248.768.945	157.887.004
Average number of ordinary shares outstanding (kr 1 each)	19.144.706.825	19.144.706.825
Earnings per share (kr) (*)	1,2994	0,8247
Dividends distributed	144.400.866	109.986.341
Gross dividends per share (kr) (*)	0,7543	0,5745

(*) 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, 2013 – 39,72%) and Heidelbergcement Group (39,72%) (December 31, 2013 – 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, 2014 and December 31, 2013 and related party transactions for the years ended December 31, 2014 and December 31, 2013 comprise mainly following:

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

37. Related party disclosures (continued)

Sales to related parties						
Related party	January 1 – December 31, 2014			January 1 – December 31, 2013		
	Product	Service	Other(*)	Product	Service	Other(*)
Shareholders						
Hacı ÖmerSabancı Holding A.Ş.	-	-	-	-	-	-
Financial assets						
Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa)	1.037.298	-	23.237	5.925.849	-	751.528
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş. (Arpaş)	-	267.419	-	-	216.097	-
Other (**)						
HC Trading B.V. – Turkey Branch	-	-	-	4.678.759	-	-
HeidelbergCement A.G.	-	-	358.522	-	-	416.264
HC Trading Malta Ltd.	142.675.333	-	-	166.815.821	-	-
Hanson Quarry Products Europe Ltd.	-	-	-	-	-	187.009
Indocement	-	-	54.813	-	-	93.457
Afyon Çimento Sanayii ve Tic. A.Ş.	173.066	-	-	754.245	-	-
Enerjisa Enerji Üretim A.Ş. (Enerjisa)	-	-	-	-	-	7.076
HeidelbergCement Sweden AB	-	-	283.721	-	-	-
Scancem International ANS	-	-	2.116	-	-	-
Kardemir Demir Çelik San. Ve Tic. A.Ş.	11.980.115	-	-	-	-	-

(*) 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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****37. Related party disclosures (continued)**

Related party	Purchases from related parties			January 1 – December 31, 2013		
	Product	Service	Other(*)	Product	Service	Other(*)
Shareholders						
Hacı Ömer Sabancı Holding A.Ş.	-	-	456.472	-	512.875	-
Financial assets						
Çimsa	672.387	-	-	-	-	22.992
Liman İşletmeleri	-	876.739	438.305	-	1.063.047	296.724
Eterpark End. Ürün. İmal.Tic.İth.İhr.Paz.A.Ş.(Eterpark)	-	1.181.396	112.018	-	686.506	110.847
Altaş Ambalrılı Liman Tesisleri Tic. A.Ş. (Altaş)	-	-	761.216	-	-	577.338
Other (**)						
Aksigorta Sigortacılık A.Ş.	-	3.473.507	-	-	6.209.071	-
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	-	-	273.761	354.436	-	-
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	-	1.186.220	-	-	831.489	1.430
Kardemir Demir Çelik San. Ve Tic. A.Ş.	1.826.741	-	13.181	299.471	-	-
Avivasa Sigorta A.Ş.	-	12.021	251.338	-	183.256	-
Teknosa İç ve Dış Tic. A.Ş.	-	-	152.157	-	-	280.486
Ak Finansal Kiralama A.Ş.	-	-	-	-	-	82
S.A.Cimenteries Cbr.	-	837.624	-	-	595.381	40.148
Carrefoursa Türkiye	-	-	108.969	-	-	35.486
HeidelbergCement A.G.	-	21.657	-	-	-	-
HC Trading B.V. – Turkey Branch	-	-	-	-	-	10.375
HC Trading Malta Limited	43.671.011	-	-	20.433.562	-	-
HC Green Trading Ltd.	-	-	-	-	-	-
Enerjisa Elek.Ener. Toptan Satış A.Ş.	22.568.557	-	-	45.343.958	-	-
Çukurova Dış Ticaret A.Ş.	-	-	240.288	-	320.096	-
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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****37. Related party disclosures (continued)**

	Due from Related Parties		Due to Related Parties	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Shareholders				
Hacı Ömer Sabancı Holding A.Ş.	-	-	278.047	251.847
Total (*)				
Financial assets				
Arpaş	28.270	23.357	-	-
Çimsa	10.803	13.237	793.417	-
Liman İşletmeleri	-	-	176.494	209.878
Eterpark	-	-	324.126	199.488
Altaş	-	-	263.175	129.954
Total (*)	39.073	36.594	1.557.212	539.320
Other(***)				
Aksigorta Sigortacılık A.Ş.	-	-	20.785	237.867
HC Trading B.V. – Turkey Branch	-	-	-	-
HeidelbergCement A.G.	60.831	16.531	-	-
HC Trading Malta Lmd..	8.483.405	23.429.725	-	-
Scancem Int.Ans.	8.770	-	-	-
Indocement	11.269	106.938	-	-
Hanson Quarry Products Europe Ltd.	188.500	188.500	-	-
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	-	-	166.970	79.131
Teknosa A.Ş.	-	-	28.854	16.110
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş.	-	-	258.278	27.476
Ak Finansal Kiralama A.Ş.	75.799	75.799	-	-
Kardemir Demir Çelik San. Ve Tic. A.Ş.	3.238.678	-	1.628.236	2.267
Avivasa Sigorta A.Ş.	2.868	4.061	-	-
Çukurova Dış Ticaret A.Ş.	-	-	8.483	67.016
HeidelbergCement Sweden AB	12.201	-	-	-
Enerjisa Elek.Ener.Toptan Satış A.Ş.	-	-	351.131	8.202.232
S.A.Cimenteries Cbr.	-	-	-	17.619
Total (*)	12.082.321	23.821.554	2.462.737	8.649.718
Personnel	7.099	739.689	1.052.657	1.028.138
Total (**)	7.099	739.689	1.052.657	1.028.138

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

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

(***) Related parties of Company shareholders.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

37. Related party disclosures (continued)

As of December 31, 2014, receivables from "Direct debit system" in trade receivables amounting to TL 3.822.066 (December 31, 2013 – TL 10.004.672) are receivables from Akbank T.A.Ş.

	December 31, 2014	December 31, 2013
Banks		
Akbank T.A.Ş.	7.384.273	11.370.539
Financial liabilities		
Akbank T.A.Ş.	51.377.364	-

	December 31, 2014	December 31, 2013
Financial expenses to related parties		
Akbank T.A.Ş.	7.006.987	1.932.244
	7.006.987	1.932.244

	January 1- December 31, 2014	January 1- December 31, 2013
Interest income from related parties		
Akbank T.A.Ş.	657.756	229.878
Commission income		
Arpaş	332.054	263.723

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

37. Related party disclosures (continued)

	December 31, 2014	December 31, 2013
Donations		
Sabancı Üniversitesi	84.000	77.100
Vaksa Hacı Ömer Sabancı Vakfı	2.085.930	1.947.780
	2.169.930	2.024.880
Executive members' remuneration		
	December 31, 2014	December 31, 2013
Short term benefits provided to executive management	4.835.498	4.188.165
Post-employment benefits	711.671	271.741
Other long term benefits	278.923	126.163
Total benefits	5.826.092	4.586.069
Employer's social security premium portion	128.742	90.588

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(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, 2014 and December 31, 2013 are TL 2.166.753 short (liability) and TL 18.712.215 long (asset), respectively.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(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, 2014				
	TL equivalent (functional currency)	USD	EUR	GBP	SEK
1. Trade receivables	17.795.213	7.660.868	10.787	-	-
2a. Monetary financial assets (including cash and bank accounts)	39.062	9.548	5.999	-	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	17.834.275	7.670.416	16.786	-	-
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)	17.834.275	7.670.416	16.786	-	-
10. Trade payables	20.001.028	8.060.798	457.606	5.026	-
11. Financial liabilities	-	-	-	-	-
12a. Monetary other liabilities	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	20.001.028	8.060.798	457.606	5.026	-
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)	20.001.028	8.060.798	457.606	5.026	-
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)	(2.166.753)	(390.382)	(440.820)	(5.026)	-
21. Net foreign currency asset/(liability) position of monetary items (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	(2.166.753)	(390.382)	(440.820)	(5.026)	-
22. Total fair value of financial instruments used to manage foreign currency position	-	-	-	-	-
23. Export (*)	139.773.933	65.323.670	-	-	-
24. Import (*)	94.751.815	58.417.708	8.867.886	35.223	77.200

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(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	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 (TFRS 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. Import (*)	94.093.738	41.815.924	6.634.597	7.123	204.378

(*) The import and export figures comprise January-December periods of the years 2014 and 2013.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(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 TL, with all other variables held constant, on the Company's income before tax as of December 31, 2014 and December 31, 2013:

Foreign currency sensitivity analysis statement	
Current period- December 31, 2014	
	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	90.526
2- USD denominated hedging instruments (-)	-
3- Net effect in USD (1+2)	90.526
In case of 10% appreciation of EUR against TL:	
4- EUR denominated net asset/ liability	124.342
5- EUR denominated hedging instruments (-)	-
6- Net effect in EUR (4+5)	124.342
In case of average 10% appreciation of other exchange rates against TL:	
7- Other foreign currency denominated net assets, liabilities	1.807
8- Other foreign currency hedging instruments (-)	-
9- Net effect in other foreign currency (7+8)	1.807
Total (3+6+9)	216.675

Foreign currency sensitivity	
Prior 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- USD denominated hedging instruments (-)	-
3- Net effect in USD (1+2)	2.059.378
In case of 10% appreciation of EUR against TL:	
4- EUR denominated net asset/ liability	(188.157)
5- EUR denominated hedging instruments (-)	-
6- Net effect in EUR (4+5)	(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)

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

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(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.

The company does not have any floating rate financial instruments. The Company has fixed rate loan.

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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****38. Nature and level of risks arising from financial instruments (continued)**

Current period	Trade receivables		Receivables Other receivables		Deposits in banks	Derivative instruments
	Related party	Other party	Related party	Other party		
Maximum credit risk exposures as of report date (A+B+C+D+E) (1)	12.121.394	320.715.314	7.099	5.256.568	13.277.584	-
- Guaranteed portion of credit risk by guarantees, etc.	-	214.124.260	7.099	-	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	12.121.394	311.382.576	7.099	5.256.568	13.277.584	-
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	689.843	-	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	8.642.895	-	-	-	-
- Under guarantee	-	2.864.122	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	12.021.733	-	-	-	-
- Impairment (-)	-	(12.021.733)	-	-	-	-
- 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	Trade receivables		Receivables Other receivables		Deposits in banks	Derivative instruments
	Related party	Other party	Related party	Other party		
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	-	4.631.713	-	-	-	-
- Under guarantee	-	987.469	-	-	-	-
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	-	-	-	-	-	-

(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.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi**Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)****38. Nature and level of risks arising from financial instruments (continued)**

December 31, 2014						
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	349.642.252	365.796.098	269.569.280	31.430.985	64.795.833	-
Bank loans	98.294.805	113.269.362	17.042.544	31.430.985	64.795.833	-
Financial lease obligations	-	-	-	-	-	-
Trade payables	238.857.608	240.036.897	240.036.897	-	-	-
Employee benefits and other liabilities	12.489.839	12.489.839	12.489.839	-	-	-
December 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	383.733.235	387.634.449	356.857.051	144.065	30.633.333	-
Bank loans	179.110.921	182.077.805	151.444.472	-	30.633.333	-
Financial lease obligations	192.087	192.087	48.022	144.065	-	-
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	-	-	-

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, 2014	December 31, 2013
Total debt	446.589.339	477.112.860
Less: Cash and cash equivalents (Note 6)	13.277.590	15.833.231
Net debt	433.311.749	461.279.629
Total shareholder's equity	1.155.907.244	1.000.105.548
Total paid-in share capital	191.447.068	191.447.068
Debt to equity ratio	0,37	0,46

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

**Notes to the consolidated financial statements as of December 31, 2014
(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.

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, 2014 and December 31, 2013, the Company's assets at fair value and its levels are as follows:

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

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Notes to the consolidated financial statements as of December 31, 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

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

As of December 31, 2014 and December 31, 2013, the Company's assets at fair value and its levels are as follows:

Current period	Level 1 (*)	Level 2	Level 3
Assets at fair value			
Financial assets			
Çimsa	194.088.960	-	-
Total assets	194.088.960		
Prior period	Level 1 (*)	Level 2	Level 3
Assets at fair value			
Financial assets			
Çimsa	138.288.383	-	-
Total assets	138.288.383		

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

40. Subsequent events

None.

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

None.

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi

Dividend Distribution Table

Akçansa Çimento Sanayi ve Ticaret A.Ş. Dividend Distribution Statement for 2014 (TL)

1. Paid in Capital/Issued Capital		191.447.068,25
2. Total Legal Reserves (According to Statutory Income Statements)		124.953.099,43
Information on privileges in profit distribution if any in the Articles of Association		None
	CMB Consolidated Result	Local Tax Result
3. Current period profit	308.702.837,00	305.654.370,36
4. Taxes payable (-)	58.441.188,00	57.554.428,20
5. Net profit (=)	248.768.945,00	248.099.942,16
6. Previous years losses (-)	0,00	0,00
7. 1st Legal reserves (-)	0,00	0,00
8. NET DISTRIBUTABLE NET PROFIT FOR THE PERIOD (=)	248.768.945,00	248.099.942,16
9. Donations made during the year (+)	3.792.266,42	
10. Net Distributable Profit added donations for the calculations of 1st Reserves	252.561.211,42	
11. First dividend to Shareholders	9.572.353,41	
- Cash	9.572.353,41	
- Bonus	0,00	
- Total	9.572.353,41	
12 . Dividend to privileged shareholders	0,00	
13. Dividend to the Board members and Employees	0,00	
- BoD	0,00	
- Employees	0,00	
- Non Shareholders	0,00	
14. Dividend to redeemed shareholders	0,00	
15. Secondary dividends to shareholders	216.718.081,26	
16. Secondary legal reserves	21.671.808,13	
17. Statutory reserves	0,00	
18. Special reserves	0,00	262.925,09
19. EXTRAORDINARY RESERVES	806.702,20	51.774,27
20. Other resources Payable		177.000,00
- Retained earnings		
- Extraordinary reserves		
- Other distributable reserves as per the law and the Articles of Association		
- Other resources Payable		177.000,00

2014 annual report of our company will be submitted to the General Assembly to be held on March 24, 2015; in accordance with the principles and rules prescribed. According to our financial statements related to the term January 01, 2014 – December 31, 2014; prepared in accordance with the Series II no:14.1 "Communiqué on the Principles of Financial Reporting in Capital Market" of the Capital Markets Board and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.; a consolidated profit for the period of 308.702.837 TL has been generated.

As explained at the below profit distribution chart, in accordance with the Article 33 of the Articles of Association and communiqués of Capital Markets Board, first reserve fund, losses of the previous year, legal obligations and shares without the power to control has been deducted of the consolidated profit for the period of 308.702.837 TL, calculated according to the Capital Markets Board legislation and the remaining 248.768.945 TL. Net distributable period profit will be distributed according to the below stated table.

First share of profit	9.572.353,41 TL
Second share of profit	216.718.081,26 TL
Second legal reserve fund (second edition)	21.671.808,13 TL
Excess reserve fund	806.702,20 TL
Total gross profit share	226.290.434,67 TL

Upon the profit distribution to be made according to the above principles, taking into consideration our legal records, prepared according to the Tax Procedure Law, The Board has unanimously decided to;

Afford the 177.000,00 TL part of the distributable profit share from immovable property sales income fund related to year 2007,

Hold the below stated amounts of the net distributable profit of 248.099.942,16 TL, stated in our legal records, prepared according to the Tax Procedure Law;

- 51.774,27TL as reserve for contingencies,

- 262.925,09 TL as special reserve to benefit from the corporation tax exempt at the immovable property sold in 2014, stated at Article 5/1 (e) of the Corporation Tax Law.

Thus, the Board has unanimously decided to submit to the approval of the Ordinary General Assembly be held on March 24, 2015 that total 226.290.434,67 TL. Profit share for 2014 shall be distributed in cash as of April 01, 2015 to the shareholders representing the capital of 191.447.068,25 TL according to their legal status on the proportion of % 118,20 (Gross), % 100,47 (Net)

Sincerely,

Board of Directors

CONTACTS

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 Mimarşinan 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.Kadideresi 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 Mimarşinan
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. Kırklar 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 Yaydığın
Mahallesi/ÇORUM

NİLÜFER READY-MIXED CONCRETE PLANT
Eski Kamelapaşa 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
Büyükkçekmece/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 Parseller 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



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