

**(Convenience translation of the independent auditor's review report and condensed interim consolidated financial statements originally issued in Turkish)**

**Çimsa Çimento Sanayi ve Ticaret A.Ş. and Its Subsidiaries**

January 1 – June 30, 2015 condensed interim consolidated financial statements together with independent auditor's review report

**(Convenience translation of the independent auditor’s review report and interim consolidated financial statements originally issued in Turkish)**

**Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**

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## Review Report on the Interim Financial Information

### To the Board of Directors of Çimsa Çimento Sanayi ve Ticaret A.Ş.

#### *Introduction*

We have reviewed the accompanying condensed consolidated financial statements of Çimsa Çimento Sanayi ve Ticaret A.Ş. (*“the Company”*) and its subsidiaries (*all together referred to as “the Group”*) as of June 30, 2015, which comprise the statement of condensed consolidated financial position and the condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month-period then ended. The management of the Company is responsible for the preparation and fair presentation of these interim condensed consolidated financial information in accordance with TAS 34 Interim Financial Reporting. (*“TAS 34”*). Our responsibility is to express a conclusion on these interim condensed consolidated financial information based on our review.

#### *Scope of a Review*

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *“Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity”*. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Turkish Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim condensed financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

#### *Conclusion*

Based on our review, nothing has come to our attention which may cause us to believe that the accompanying interim condensed consolidated financial information are not prepared, in all material respects, in accordance with TAS 34.

## Emphasis of Matter

Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (“Exsa”), of which the Group owns 32,875% of the shares and is an investment accounted by equity method was subject to tax investigation in the year 2012 regarding corporate tax calculation for the year 2010 and tax charge amounting to TRY 39.219.428 (effect to the Group: TRY 12.893.387) and related penalty amounting to TRY 58.829.143 (effect to the Group: TRY 19.340.081) were charged to Exsa on 22 January 2013. The tax investigation was related to the spin off transaction which was also subject to tax investigation in 2010. The total tax charge and penalty charged to Exsa as a result of the first investigation in 2010 amounting to TRY 281.115.699 (effect to the Group: TRY 92.416.786) were reconciled with the Ministry of Finance, where the tax penalty was waived, the total tax burden was decreased to TRY 14.558.396 (effect to the Group: TRY 4.786.073) and in the year 2011, a total of TRY 21.000.000 together with interest (effect to the Group: TRY 6.903.750) was paid. Exsa appealed for a reconciliation settlement process for the tax charge dated 22 January 2013 to Ministry of Finance on 25 January 2013. No reconciliation was provided in the meeting held between the Company and the Ministry of Finance Central Reconciliation Commission on 10 October 2013 and the Company filed a lawsuit by the Tax Court as of 24 October 2013. The lawsuit has been concluded in favor of Exsa on May 9, 2014 and the decision has been appealed by the Revenue Administration. As of the date of this report, the legal proceedings initiated by the Company continue. In accordance with the opinion of the Group’s legal advisors and tax experts, no provisions have been made in the accompanying consolidated financial statements for the interim period ended 30 June 2015 for the tax penalties and notifications considering the uncertainty as to the outcome of the legal proceedings.

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

Ferzan Ülgen SMMM  
Partner

10 August 2015  
Istanbul, Turkey

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**  
(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

	(Reviewed) Current Period 30 June 2015	(Audited) Prior Period 31 December 2014	
Note			
<b>ASSETS</b>			
Cash and cash equivalents	5	197.580.708	49.471.134
Trade receivables	6	330.078.194	255.357.427
<i>Trade receivables from related parties</i>	23	459.354	782.614
<i>Trade receivables from third parties</i>		329.618.840	254.574.813
Other receivables	8	933.607	987.187
<i>Other receivables from related parties</i>	23	-	113.967
<i>Other receivables from third parties</i>		933.607	873.220
Derivative financial asset	13	271.087	-
Inventories	9	107.388.667	119.641.155
Prepaid expenses	10	8.530.007	2.917.594
Assets related to the current period taxes	21	623.931	1.568.144
Other current assets	14	8.196.775	3.463.525
<b>Current Assets</b>		<b>653.602.976</b>	<b>433.406.166</b>
Other receivables	8	3.956.133	2.909.694
Financial investments available for sale		56.978	56.978
Investments accounted under equity method	3	191.835.283	184.835.754
Property, plant and equipment	11	716.366.594	707.887.820
Intangible assets		165.757.026	166.671.585
<i>Goodwill</i>		148.119.252	148.119.252
<i>Other intangible assets</i>	11	17.637.774	18.552.333
Prepaid expenses	10	30.489.020	1.022.344
Deferred tax assets	21	6.065.920	6.727.412
Other non-current assets	14	4.930.678	4.209.188
<b>Non-Current Assets</b>		<b>1.119.457.632</b>	<b>1.074.320.775</b>
<b>TOTAL ASSETS</b>		<b>1.773.060.608</b>	<b>1.507.726.941</b>

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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**  
(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

		<b>(Reviewed)</b>	<b>(Audited)</b>
		<b>Current Period</b>	<b>Prior Period</b>
		<b>30 June</b>	<b>31 December</b>
	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>LIABILITIES</b>			
Short-term borrowings	7	287.051.622	64.460.792
Current portion of long-term borrowings	7	28.709.772	20.788.733
Trade payables	6	79.896.990	134.404.978
<i>Trade payables to related parties</i>	23	6.610.346	7.747.683
<i>Trade payables to third parties</i>		73.286.644	126.657.295
Employee benefit obligations		5.004.669	4.029.500
Other payables	8	11.491.884	10.058.992
<i>Other payables to related parties</i>	23	117.490	1.719.993
<i>Other payables to third parties</i>		11.374.394	8.338.999
Derivative financial liabilities	13	850.555	336.458
Deferred income	10	7.298.703	5.772.313
Current income tax liability	21	20.638.460	11.012.645
Short-term provisions	12	10.209.926	14.536.152
<i>Short-term provisions for employee benefits</i>		-	3.836.152
<i>Other short-term provisions</i>		10.209.926	10.700.000
Other current liabilities	14	1.968.168	406.298
<b>Current Liabilities</b>		<b>453.120.749</b>	<b>265.806.861</b>
Long-term borrowings	7	130.952.908	20.426.403
Long-term provisions	12	24.747.144	24.380.893
<i>Long-term provisions for employee benefits</i>		19.964.111	19.490.245
<i>Other long-term provisions</i>		4.783.033	4.890.648
Deferred tax liability	21	27.077.376	27.381.153
<b>Non-Current Liabilities</b>		<b>182.777.428</b>	<b>72.188.449</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	15	135.084.442	135.084.442
Adjustments to share capital	15	41.741.516	41.741.516
Share premiums		30.131	30.131
Other comprehensive income/expense to be reclassified to profit or loss		8.976.199	4.714.228
<i>Foreign currency translation reserve</i>		9.656.643	4.714.228
<i>Cash flow hedge reserve</i>		(680.444)	-
Other comprehensive income/expense not to be reclassified to profit or loss		(2.750.852)	(2.436.517)
<i>Actuarial losses / gains on defined benefit plans</i>		(2.750.852)	(2.436.517)
Restricted reserves		149.067.447	132.289.960
Retained earnings		615.455.692	613.781.619
Net profit for the year		129.653.944	192.980.659
<b>Equity attributable to equity holders of the parent</b>		<b>1.077.258.519</b>	<b>1.118.186.038</b>
Non-controlling interests		59.903.912	51.545.593
<b>Total Shareholders' Equity</b>		<b>1.137.162.431</b>	<b>1.169.731.631</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1.773.060.608</b>	<b>1.507.726.941</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

	<b>Note</b>	<b>(Reviewed) Current Period 1 January- 30 June 2015</b>	<b>(Not reviewed) Current Period 1 April- 30 June 2015</b>	<b>(Reviewed) Prior Period 1 January- 30 June 2014</b>	<b>(Not reviewed) Prior Period 1 April- 30 June 2014</b>
<b>OPERATING INCOME</b>					
Sales	16	564.180.269	329.211.958	535.190.184	309.725.705
Cost of sales (-)	17	(379.497.915)	(202.936.487)	(378.530.092)	(211.171.334)
<b>GROSS PROFIT</b>		<b>184.682.354</b>	<b>126.275.471</b>	<b>156.660.092</b>	<b>98.554.371</b>
General and administrative expense (-)	17	(26.888.919)	(14.915.957)	(23.485.304)	(12.157.347)
Marketing, selling and distribution expense (-)	17	(3.405.651)	(1.687.730)	(3.702.916)	(2.157.105)
Other operating income	18	23.822.306	9.208.938	14.734.183	4.701.153
Other operating expenses (-)	18	(12.270.724)	(4.586.715)	(19.227.752)	(9.551.963)
<b>OPERATING PROFIT</b>		<b>165.939.366</b>	<b>114.294.007</b>	<b>124.978.303</b>	<b>79.389.109</b>
Income from investment activities	19	1.249.529	664.282	1.743.920	181.050
Expense from investment activities (-)	19	(43.467)	(20.273)	(364.995)	(189)
Profit/(loss) from investments accounted by equity method	3	6.999.529	3.222.394	8.241.449	5.647.182
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE</b>		<b>174.144.957</b>	<b>118.160.410</b>	<b>134.598.677</b>	<b>85.217.152</b>
Financial income	20	-	-	536.303	536.303
Financial expenses (-)	20	(12.267.766)	(9.178.964)	(9.604.152)	(5.055.335)
<b>PROFIT BEFORE TAX</b>		<b>161.877.191</b>	<b>108.981.446</b>	<b>125.530.828</b>	<b>80.698.120</b>
<b>Tax income / (expense) from continuing operations</b>	21	<b>(31.166.009)</b>	<b>(20.828.718)</b>	<b>(24.445.380)</b>	<b>(15.291.308)</b>
- Current period tax expense		(30.584.280)	(20.434.231)	(24.036.354)	(14.761.016)
- Deferred tax income / (expense)		(581.729)	(394.487)	(409.026)	(530.292)
<b>PROFIT FOR THE PERIOD</b>		<b>130.711.182</b>	<b>88.152.728</b>	<b>101.085.448</b>	<b>65.406.812</b>
<b>Profit/loss for the period attributable to</b>					
- Non-controlling interests		1.057.238	1.223.178	2.165.328	2.080.233
- Equity holders of the parent		129.653.944	86.929.550	98.920.120	63.326.579
<b>Earnings per share</b>					
Earnings per share from continuing operations	22	0,0096	0,0064	0,0073	0,0047

(Nominal amount of 1 Kr)

The accompanying notes form an integral part of these condensed consolidated financial statements.

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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

	(Reviewed) Current Period 1 January- 30 June 2015	(Not reviewed) Current Period 1 April- 30 June 2015	(Reviewed) Prior Period 1 January- 30 June 2014	(Not reviewed) Prior Period 1 April- 30 June 2014
Note				
<b>PROFIT FOR THE PERIOD</b>	<b>130.711.182</b>	<b>88.152.728</b>	<b>101.085.448</b>	<b>65.406.812</b>
<b>To be reclassified to profit or loss</b>	<b>6.837.874</b>	<b>9.169.184</b>	<b>1.717.007</b>	<b>1.017.583</b>
<i>Foreign currency translation reserve</i>	7.518.318	9.849.628	(13.583)	(461.709)
<i>Cash flow hedge reserve</i>	(850.555)	(850.555)	2.163.238	1.849.116
Tax (expense) / income	21 170.111	170.111	(432.648)	(369.824)
<b>Not to be reclassified to profit or loss</b>	<b>(314.282)</b>	<b>(89.012)</b>	<b>(648.349)</b>	<b>(358.171)</b>
<i>Actuarial losses / gains on defined benefit plans</i>	(392.853)	(111.265)	(810.436)	(447.714)
Tax (expense) / income	21 78.571	22.253	162.087	89.543
<b>OTHER COMPREHENSIVE INCOME</b>	<b>6.523.592</b>	<b>9.080.172</b>	<b>1.068.658</b>	<b>659.412</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>137.234.774</b>	<b>97.232.900</b>	<b>102.154.106</b>	<b>66.066.224</b>
<b>Total comprehensive income attributable to</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
-Non-controlling interests	3.633.194	4.114.663	2.145.224	2.042.045
-Equity holders of the parent	133.601.580	93.118.237	100.008.882	64.024.179

The accompanying notes form an integral part of these condensed consolidated financial statements.



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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

				To be reclassified to profit or loss		Not to be reclassified to profit or loss	Retained Earnings			Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Share Capital	Adjustments to share capital	Share premiums	Foreign currency translation reserve	Cash flow hedge reserve	Actuarial gains/(losses) on defined benefit plans	Restricted reserves	Retained earnings	Net profit for the period			
<b>1 January 2014</b>	<b>135.084.442</b>	<b>41.741.516</b>	<b>30.131</b>	<b>5.009.558</b>	<b>(1.670.937)</b>	<b>(1.218.106)</b>	<b>117.376.637</b>	<b>482.271.571</b>	<b>302.310.817</b>	<b>1.080.935.629</b>	<b>45.584.303</b>	<b>1.126.519.932</b>
Transfer from retained earnings	-	-	-	-	-	-	14.913.323	287.397.494	(302.310.817)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	98.920.120	<b>98.920.120</b>	2.165.328	<b>101.085.448</b>
Other comprehensive income/(expense)	-	-	-	(13.583)	1.730.590	(628.245)	-	-	-	<b>1.088.762</b>	(20.104)	<b>1.068.658</b>
<b>Total comprehensive income/(expense)</b>	-	-	-	<b>(13.583)</b>	<b>1.730.590</b>	<b>(628.245)</b>	-	-	<b>98.920.120</b>	<b>100.008.882</b>	<b>2.145.224</b>	<b>102.154.106</b>
Dividends paid	-	-	-	-	-	-	-	(155.887.446)	-	<b>(155.887.446)</b>	-	<b>(155.887.446)</b>
<b>30 June 2014</b>	<b>135.084.442</b>	<b>41.741.516</b>	<b>30.131</b>	<b>4.995.975</b>	<b>59.653</b>	<b>(1.846.351)</b>	<b>132.289.960</b>	<b>613.781.619</b>	<b>98.920.120</b>	<b>1.025.057.065</b>	<b>47.729.527</b>	<b>1.072.786.592</b>
<b>1 January 2015</b>	<b>135.084.442</b>	<b>41.741.516</b>	<b>30.131</b>	<b>4.714.228</b>	-	<b>(2.436.517)</b>	<b>132.289.960</b>	<b>613.781.619</b>	<b>192.980.659</b>	<b>1.118.186.038</b>	<b>51.545.593</b>	<b>1.169.731.631</b>
Transfer from retained earnings	-	-	-	-	-	-	16.777.487	176.203.172	(192.980.659)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	129.653.944	<b>129.653.944</b>	1.057.238	<b>130.711.182</b>
Other comprehensive income/(expense)	-	-	-	4.942.415	(680.444)	(314.335)	-	-	-	<b>3.947.636</b>	2.575.956	<b>6.523.592</b>
<b>Total comprehensive income/(expense)</b>	-	-	-	<b>4.942.415</b>	<b>(680.444)</b>	<b>(314.335)</b>	-	-	<b>129.653.944</b>	<b>133.601.580</b>	<b>3.633.194</b>	<b>137.234.774</b>
Dividends paid (*)	-	-	-	-	-	-	-	(174.529.099)	-	<b>(174.529.099)</b>	-	<b>(174.529.099)</b>
Capital increase (**)	-	-	-	-	-	-	-	-	-	-	4.725.125	4.725.125
<b>30 June 2015</b>	<b>135.084.442</b>	<b>41.741.516</b>	<b>30.131</b>	<b>9.656.643</b>	<b>(680.444)</b>	<b>(2.750.852)</b>	<b>149.067.447</b>	<b>615.455.692</b>	<b>129.653.944</b>	<b>1.077.258.519</b>	<b>59.903.912</b>	<b>1.137.162.431</b>

(\*)The decision to distribute dividend of TRY 174.529.099 from 2014 year profit was unanimously approved by the Ordinary General Assembly held on 27 March 2015 and the payment was completed by distributing the first part of TRY 110.821.507 on 31 March 2015, and the remaining on 1 April 2015.

(\*\*)On 21 November 2014, for the re-establishment of Afyon Çimento T.A.Ş.’s current factory with modern technologies in rural area, the Board of Directors of the Company (decision number: 106) decided to start investment process and according to feasibility studies USD 165.000.000 fund is needed. To be used in the funding of investment expenditures; it was decided to increase the company’s share capital from TRY 3.000.000 to TRY 100.000.000. The pre-emption rights related to share capital increase of Afyon Çimento T.A.Ş. have been used between the dates of 22 June and 6 July 2015, and cash inflow amounting TRY 4.725.125 from minority for capital increase has been completed as of 30 June 2015. As of 24 July 2015, registration process has been finalized.

The accompanying notes form an integral part of these condensed consolidated financial statements.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

	(Reviewed)	(Reviewed)
	Current Period	Prior Period
	1 January-	1 January-
Not	30 June 2015	30 June 2014
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>43.690.200</b>	<b>35.557.330</b>
Profit before tax	161.877.191	125.530.828
<b>Adjustments to reconcile net profit/(loss) for the period</b>	<b>27.724.953</b>	<b>28.884.364</b>
Adjustment related to depreciation and amortization expense	11 27.955.248	27.995.906
Adjustment related to gain on sale of fixed assets	19 (268.880)	(1.049.967)
Adjustment related to the profit from investments accounted by equity method	3 (6.999.529)	(8.241.449)
Adjustment related to allowance for doubtful receivable	6 (49.485)	(23.258)
Adjustment related to provision for inventories	9 (4.680)	(31.788)
Adjustment related to provision for litigations	12 (490.074)	2.244.551
Adjustment related to recultivation provision	12 (167.615)	239.339
Adjustment related to provision for unlawful occupation	12 60.000	31.500
Adjustment related to retirement pay provision	1.468.302	1.907.979
Adjustment related to seniority provision	136.465	27.810
Adjustment related to unpaid vacation liability	160.890	386.610
Adjustment related to interest expense	20 5.857.897	8.933.555
Adjustment related to interest income	18 (1.673.792)	(2.357.412)
Adjustment related to dividend received	19 (18.249)	(21.504)
Unrealized foreign exchange (gains) / losses on financial borrowings	2.366.000	(887.166)
Adjustment related to fair value (increase) / decrease of derivative financial instruments	26 (607.545)	(270.342)
<b>Changes in working capital</b>	<b>(123.533.105)</b>	<b>(101.000.651)</b>
Short-term trade receivables	(74.733.880)	(79.298.266)
Inventories	12.257.168	7.461.720
Other receivables / current assets / prepaid expenses	(10.292.083)	(2.742.543)
Other long term receivables / non-current / prepaid expenses	(1.752.643)	(114.265)
Short term trade payables	(54.507.988)	(33.417.167)
Other short term payables/liabilities	5.496.321	7.109.870
<b>Cash flows from operations</b>	<b>66.069.039</b>	<b>53.414.541</b>
Interest received	3.213.792	2.357.412
Tax penalty liabilities paid in accordance with law no. 6111	-	(437.428)
Unlawful occupation paid	-	(214.000)
Premiums and bonuses paid	(3.836.152)	(905.388)
Retirement pay provision paid	(1.701.837)	(2.471.722)
Seniority provision paid	(40.390)	-
Taxes paid	(20.014.252)	(16.186.085)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(62.141.244)</b>	<b>(12.799.505)</b>
Purchases of property, plant and equipment	11 (32.984.266)	(14.768.844)
Proceeds from sales of property, plant and equipment	11/19 324.984	2.283.437
Purchases of intangible assets	11 -	(14.579)
Change in fixed asset advances given	(29.481.962)	(299.519)
<b>C. CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>156.491.539</b>	<b>(40.128.847)</b>
Proceeds from borrowings	393.472.301	158.656.584
Repayment of borrowings	(59.198.449)	(31.644.423)
Repayment of financial lease liabilities	-	(8.083)
Dividend paid	15 (174.529.099)	(155.887.446)
Dividend received	18.249	21.504
Interests paid	(7.996.588)	(11.266.983)
Capital increase	4.725.125	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>138.040.495</b>	<b>(17.371.022)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>49.471.134</b>	<b>39.925.027</b>
Currency translation differences (net)	10.069.079	409.082
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>197.580.708</b>	<b>22.963.087</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

#### 1. ORGANIZATION AND NATURE OF OPERATIONS

##### General

Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa” or the “Company”) was founded with a declaration of the trade registry on 16 December 1972 which was announced at Turkish Trade Registry Gazette numbered 4729 and dated 21 December 1972. Operations of the Group consist of production and sales of cement, clinker and ready mix concrete. The ultimate shareholder of the Group is Hacı Ömer Sabancı Holding A.Ş. (“Sabancı Holding”).

The registered office address of the Group is Kısıklı Cad. No: 4 Sarkuysan-Ak İş Merkezi S Blok Kat: 2 Altunizade, Üsküdar / İstanbul.

A certain amount of the shares of the Company is traded on Borsa İstanbul A.Ş. (BIST) (Note: 15). In accordance with Article 82 of the BIST Basic Principles of Share Indexes, the shares of Çimsa are included in the BIST 100 index by the Directorate General of the Stock Exchange.

The upper limit of registered share capital of the Company is TRY 200.000.000 (31 December 2014- TRY 200.000.000)

As of 30 June 2015 and 31 December 2014, the information related to the Company’s subsidiaries and joint venture is as follows:

Company	Date of acquisition	Location of the operation	Principal Activities	Effective shareholding of the company	
				31 March 2014	31 December 2014
Çimsa Cement Free-Zone Limited (Çimsa Cement) (*)	12 Oct 2005	NCTR	Cement sales and marketing	% 99,99	% 99,99
CIMSAROM Marketing Distributie S.R.L. (Çimsarom) (*)	8 Feb 2006	Romania	Cement sales and marketing	% 99,99	% 99,99
Çimsa Cement Sales North GmbH (CSN)(*)	27 June 2006	Germany	White cement marketing	% 100	% 100
Çimsa Cementos Espana, S.A.U. (Cementos Espana,S.A.U.) (*)	7 July 2006	Spain	Sales of bulk and bagged cement to white cement market	% 100	% 100
Çimsa Mersin Serbest Bölge Şubesi (*)	12 Dec 2007	Mersin	Export	% 100	% 100
Regent Place Limited (Regent) (*)	21 May 2008	British Virgin Island	Financial investment and holding company	% 100	% 100
OOO Çimsa Rus CTK (OOO Rusya) (*)	16 July 2008	Russia	White cement packaging, sales and marketing	% 100	% 100
Çimsa Adriatico Srl (*)	9 Feb 2010	Italy	Cement sales and marketing	% 70	% 70
Afyon Çimento Sanayi Türk Anonim Şirketi (*)	31 May 2012	Turkey	Cement production and sales	% 51	% 51

(\*) Full consolidation method has been applied.

The Company’s associate, Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. (Exsa) (effective ownership: 32,875%) is consolidated by the equity method.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## **ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

#### **1. ORGANIZATION AND NATURE OF OPERATIONS (Continued)**

For the purpose of presentation of the interim consolidated financial statements, Çimsa, its subsidiaries, its joint venture and its associate will be together referred as “the Group”.

##### **Nature of activities**

The Group is engaged in production and sales of cement, clinker and ready mix concrete.

The interim consolidated financial statements were authorized for issue by the Board of Directors of Çimsa on 10 August 2015. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issuance.

The average number of Group’s employee for 2015 by categories is as follows:

628 blue collar ( a union member) (2014:620), 436 white collar (not a union member) (2014:433) and 42 (2014:42) employees working for subsidiaries located abroad.

#### **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

##### **2.1 Basis of presentation**

The accompanying interim consolidated financial statements have been prepared in accordance 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”) (hereinafter will be referred to as “the CMB Reporting Standards”) on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Reporting Standards, companies should apply Turkish Accounting Standards / Turkish Financial Reporting Standards and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”).

With the decision taken on March 17, 2005, the CMB announced that, effective from January 1, 2005, the application of inflation accounting is no longer required for listed companies in Turkey. The Group’s financial statements have been prepared in accordance with this decision.

The functional and presentation currency of the Company is TRY.

Functional currency of Cement Sales North GmbH, Çimsa Cementos Espana S.A.U., Regent Place Ltd. and Çimsa Adriatico SRL is Euro, the functional currency of Çimsarom Marketing Sı Distribute Srl is New Romanian Lei and functional currency of OOO Çimsa – Rus Ctk is Ruble. Based on Turkish Accounting Standard TAS 21, for subsidiaries operating in countries without high inflation rates, the exchange rate used for translating the financial position items is the exchange rate at the balance sheet date; for income statement balances, the average exchange rate of the related period and the consolidated financial statements are presented in TRY. The resulting foreign currency gain / loss are recorded under the ‘Currency Translation Reserve’ account in equity.

The Company and the group companies established in Turkey maintain their books of account and prepare their statutory financial statements (“Statutory Financial Statements”) in accordance with rules and principles published by POA, the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. These interim consolidated financial statements have been prepared in Turkish Lira under the historical cost convention except for available for sale financial assets, assets acquired through business combination and derivative instruments that are carried at fair value. These 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, provision for doubtful receivables, the accounting of expense accruals, the effect of employee termination benefits and unused vacation pay liability calculated in accordance with TAS 19 “Employee Benefits”, prorata depreciation of property and equipments and intangible assets with useful life assessed by the management, the assessment of financial assets and liabilities in accordance with TAS 39, the accounting of TFRS 3 “Business Combinations” and the accounting of derivative financial instruments and cash flow hedge reserves in accordance with TAS 39.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## **ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **2.2 Seasonality of the Group’s operations**

The operations of the Group increase in spring and summer season when the demand for the construction increases and construction industry revives.

### **2.3 Offsetting**

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

### **2.4 Summary of Significant Accounting Policies**

The condensed interim consolidated financial statements of the Group for the six months period ended June 30, 2015 have been prepared in accordance with TAS 34 “Interim Financial Reporting”. Additionally, the accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended 30 June 2015 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2014. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31December 2014.

### **2.5 Changes in Turkish Financial Reporting Standards (TFRS)**

#### **The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 June 2015 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 2015. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## **ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **2.5 Changes in Turkish Financial Reporting Standards (TFRS) (Continued)**

#### **i) The new standards, amendments and interpretations which are effective as at 1 January 2015 (Continued)**

##### **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 recognize 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 amendment did not have a significant an impact on the consolidated financial statements of the the Group.

##### **Annual Improvements to TAS/TFRSs**

In September 2014, 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.

##### **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*

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 (or IFRS 9, as applicable). The amendment is effective for business combinations prospectively.

###### *TFRS 8 Operating Segments*

The changes are as follows: i) An entity must disclose the judgments made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ‘similar’. 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. . In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is effective retrospectively.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## **ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **2.5 Changes in Turkish Financial Reporting Standards (TFRS) (Continued)**

#### **i) The new standards, amendments and interpretations which are effective as at 1 January 2015 (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.

###### ***TFRS 13 Fair Value Measurement***

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of IAS 39. 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 amendments did not have a significant impact on the interim condensed consolidated financial statements of the Group.

#### **ii) 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 interim condensed consolidated financial statements are as follows. The Group 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 and February 2015, the new standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Phase 1 of this new TFRS 9 introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

##### **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 Group.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## **ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **2.5 Changes in Turkish Financial Reporting Standards (TFRS) (Continued)**

#### **ii) Standards issued but not yet effective and not early adopted (Continued)**

#### **TAS 16 and TAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization (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 amortization 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 Group.

#### **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 Group and will not have an impact on the financial position or performance of the Group.

#### **TAS 27 Equity Method in Separate Financial Statements (Amendments to TAS 27)**

In February 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 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
- Using the equity method defined in TAS 28

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 Group is in the process of assessing the impact of the standard on financial position or performance of the Group.



(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## **ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

#### **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

##### **2.5 Changes in Turkish Financial Reporting Standards (TFRS) (Continued)**

###### **ii) Standards issued but not yet effective and not early adopted (Continued)**

###### **TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)**

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 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 recognizes a full gain or loss on the sale or contribution of assets that constitute a business, as defined in TFRS 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 recognized 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 Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

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

In February 2015, amendments issued to TFRS 10, TFRS 12 and TAS 28, to address the following issues that have arisen in applying the investment entities exception under TFRS 10 Consolidated Financial Statements; i) the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value, ii) only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value, iii) the amendments to TAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments are applied retrospectively. However, when the first time the amendments to TFRS 10 are applied, the quantitative information required TAS 8 need only be presented for the annual period immediately preceding the date of initial application. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

###### **TAS 1: Disclosure Initiative (Amendments to TAS 1)**

In February 2015, amendments issued to TAS 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 Group.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## **ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **2.5 Changes in Turkish Financial Reporting Standards (TFRS) (Continued)**

#### **ii) Standards issued but not yet effective and not early adopted (Continued)**

##### **Annual Improvements to TFRSs - 2012-2014 Cycle**

In February 2015, POA issued, Annual Improvements to TFRSs 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 – clarification on the assessment of servicing contracts for the continuing involvement of financial assets
- 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 Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

##### **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 Group 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.

##### **Annual Improvements – 2011–2013 Cycle**

###### **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 original effective date was 1 January 2017. However, in July 2015, IASB decided to defer the effective date to 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 Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.5 Changes in Turkish Financial Reporting Standards (TFRS) (Continued)

#### ii) Standards issued but not yet effective and not early adopted (Continued)

#### Annual Improvements – 2011–2013 Cycle (Continued)

#### 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 Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

## 3. INTERESTS IN OTHER ENTITIES

<u>Investments</u>	<u>Country</u>	<u>Main operating activity</u>	<u>30 June 2015</u>		<u>31 December 2014</u>	
			<u>Effective ownership (%)</u>	<u>Carrying net book value</u>	<u>Effective ownership (%)</u>	<u>Carrying net book value</u>
Exsa	Turkey	Investment property and financial instruments	32,875	191.835.283	32,875	184.835.754
				<u>191.835.283</u>		<u>184.835.754</u>

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**3. INTERESTS IN OTHER ENTITIES (Continued)**

The assets and liabilities of Exsa, which is consolidated by the equity method, calculated by using the effective percentage of ownership as of 30 June 2015 and 31 December 2014 and revenue, expense and net profit for the interim periods ending 30 June 2015 and 30 June 2014 are as follows:

	30 June 2015	31 December 2014
Assets	594.995.765	576.761.986
Liabilities	(11.466.388)	(14.523.951)
Net Assets	583.529.377	562.238.035
Group's share	191.835.283	184.835.754

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Revenues	32.087.591	13.510.656	34.389.747	23.060.734
Expenses	(10.796.249)	(3.708.697)	(9.320.702)	(5.882.994)
Net profit for the period	21.291.342	9.801.959	25.069.045	17.177.740
Group's share in net profit	6.999.529	3.222.394	8.241.449	5.647.182

Information regarding the Subsidiaries in which the Group has major non-controlling interests is as follows:

<b>30 June 2015</b>				
Subsidiary	Non-controlling interest %	Gain/losses attributable to non-controlling interests	Accumulated non-controlling interests	Dividend paid to non-controlling interests
Afyon Çimento Sanayi T.A.Ş.	%49	1.236.428	48.011.527	-

  

<b>30 June 2014</b>				
Subsidiary	Non-controlling interest %	Gain/losses attributable to non-controlling interests	Accumulated non-controlling interests	Dividend paid to non-controlling interests
Afyon Çimento Sanayi T.A.Ş.	%49	2.491.278	44.235.554	-

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

#### 3. INTERESTS IN OTHER ENTITIES (Continued)

Condensed financial information of subsidiary Afyon Çimento T.A.Ş. after consolidation adjustments and before eliminations is as follows:

*Condensed balance sheet information:*

	30 June 2015	31 December 2014
Cash and cash equivalents	81.324.305	12.688.794
Other current assets	23.681.574	25.551.902
Non-current assets	105.826.056	81.357.173
Total Assets	210.831.935	119.597.869
Short term borrowings	8.885.676	82.785
Other current liabilities	10.162.412	14.246.801
Long term borrowings	79.472.709	-
Other non-current liabilities	7.577.147	7.752.838
Total liabilities	106.097.944	22.082.424
Total equity	104.733.991	97.515.445

*Condensed income statement information:*

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Revenue	27.420.421	18.425.836	37.040.972	23.098.955
Gross profit	5.216.760	4.437.535	8.704.498	7.175.608
Operating profit/ (loss)	3.545.930	3.546.847	6.379.052	6.033.565
Net financial income /(expense)	(433.690)	(210.396)	(18.634)	(8.838)
Profit/ (loss) before tax	3.082.338	3.306.549	6.360.418	6.024.727
Net profit for the period	2.493.421	2.642.606	5.084.240	4.677.928

*Condensed cash flow information:*

	1 January- 30 June 2015	1 January- 30 June 2014
Cash flows from operating activities	3.375.394	2.264.905
Cash flows from investing activities	(26.147.049)	(1.015.625)
Cash flows from financing activities (excluding dividend)	91.407.166	(10.442)
Net increase (decrease) in cash and cash equivalents	68.635.511	1.238.838

#### 4. SEGMENT REPORTING

Since the majority of the export sales of the Group are to the different geographic regions as one-off basis, the distribution of sales to specific locations is not consistent between years. Therefore, the details of sales are disclosed as domestic and export sales in Note 16.

The Group manages and organizes its operations depending on the content of the services and goods provided. The Group prepares its segment reporting in accordance with TFRS 8. The transfer prices between segments are prepared on the same basis with third parties. For the interim periods ended 30 June 2015 and 30 June 2014, the information about the Group's segments consists of sales and profits obtained from cement (including clinker and aggregate) and ready mix concrete and assets and liabilities as of 30 June 2015 and 31 December 2014.

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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**4. SEGMENT REPORTING (Continued)**

1 January - 30 June 2015	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Sales	500.652.553	93.368.685	-	(29.840.969)	564.180.269
Cost of sales (-)	(310.008.173)	(99.330.711)	-	29.840.969	(379.497.915)
<b>Gross profit/(loss)</b>	190.644.380	(5.962.026)	-	-	184.682.354
General administrative,marketing selling distribution expenses (-)	(9.338.139)	-	(20.956.431)	-	(30.294.570)
Other operating income/expenses (-), net	(448.417)	(232.770)	12.232.769	-	11.551.582
<b>Operating profit/ (loss)</b>	180.857.824	(6.194.796)	(8.723.662)	-	165.939.366
Income from investment activities	-	-	1.249.529	-	1.249.529
Expense from investment activities (-)	-	-	(43.467)	-	(43.467)
Profit/loss from investments accounted by equity method	-	-	6.999.529	-	6.999.529
<b>Operating profit/(loss) before financial income/expense</b>	180.857.824	(6.194.796)	(518.071)	-	174.144.957
Financial income/(expenses), (net)	-	-	(12.267.766)	-	(12.267.766)
<b>Profit/(loss) before tax from continuing operations</b>	180.857.824	(6.194.796)	(12.785.837)	-	161.877.191
<b>Tax (expense)/income from continuing operations</b>	-	-	(31.166.009)	-	(31.166.009)
Current period tax expense (-)	-	-	(30.584.280)	-	(30.584.280)
Deferred tax income/expense	-	-	(581.729)	-	(581.729)
<b>Profit/(loss) for the period from continuing operations</b>	180.857.824	(6.194.796)	(43.951.846)	-	130.711.182
1 January - 30 June 2014	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Sales	461.302.867	112.202.737	-	(38.315.420)	535.190.184
Cost of sales (-)	(293.198.624)	(123.646.889)	-	38.315.420	(378.530.092)
<b>Gross profit/(loss)</b>	168.104.243	(11.444.151)	-	-	156.660.092
General administrative,marketing selling distribution expenses (-)	(11.016.143)	-	(16.172.077)	-	(27.188.220)
Other operating income/expenses (-), net	(885.191)	(54.119)	(3.554.259)	-	(4.493.569)
<b>Operating profit/ (loss)</b>	156.202.909	(11.498.270)	(19.726.336)	-	124.978.303
Income from investment activities	-	-	1.743.920	-	1.743.920
Expense from investment activities (-)	-	-	(364.995)	-	(364.995)
Profit/loss from investments accounted by equity method	-	-	8.241.449	-	8.241.449
<b>Operating profit/(loss) before financial income/expense</b>	156.202.909	(11.498.270)	(10.105.962)	-	134.598.677
Financial income/(expenses), (net)	-	-	(9.067.849)	-	(9.067.849)
<b>Profit/(loss) before tax from continuing operations</b>	156.202.909	(11.498.270)	(19.173.811)	-	125.530.828
<b>Tax (expense)/income from continuing operations</b>	-	-	(24.445.380)	-	(24.445.380)
Current period tax expense (-)	-	-	(24.036.354)	-	(24.036.354)
Deferred tax income/expense	-	-	(409.026)	-	(409.026)
<b>Profit/(loss) for the period from continuing operations</b>	156.202.909	(11.498.270)	(43.619.191)	-	101.085.448

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### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

#### 4. SEGMENT REPORTING (Continued)

1 April - 30 June 2015	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Sales	289.829.049	56.512.862	-	(17.129.953)	329.211.958
Cost of sales (-)	(161.389.082)	(58.677.358)	-	17.129.953	(202.936.487)
<b>Gross profit/(loss)</b>	128.439.967	(2.164.496)	-	-	126.275.471
General administrative,marketing selling distribution expenses (-)	(4.945.866)	-	(11.657.821)	-	(16.603.687)
Other operating income/expenses (-), net	(17.416)	(137.637)	4.777.276	-	4.622.223
<b>Operating profit/ (loss)</b>	120.259.176	(2.279.768)	(3.685.401)	-	114.294.007
Income from investment activities	-	-	664.282	-	664.282
Expense from investment activities (-)	-	-	(20.273)	-	(20.273)
Profit/loss from investments accounted by equity method	-	-	3.222.394	-	3.222.394
<b>Operating profit/(loss) before financial income/expense</b>	120.259.176	(2.279.768)	181.002	-	118.160.410
Financial income/(expenses), (net)	-	-	(9.178.964)	-	(9.178.964)
<b>Profit/(loss) before tax from continuing operations</b>	120.259.176	(2.279.768)	(8.997.962)	-	108.981.446
<b>Tax (expense)/income from continuing operations</b>	-	-	(20.828.718)	-	(20.828.718)
Current period tax expense (-)	-	-	(20.434.231)	-	(20.434.231)
Deferred tax income/expense	-	-	(394.487)	-	(394.487)
<b>Profit/(loss) for the period from continuing operations</b>	120.259.176	(2.279.768)	(29.826.680)	-	88.152.728
<hr/>					
1 April - 30 June 2014	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Sales	265.853.862	62.665.029	-	(18.793.186)	309.725.705
Cost of sales (-)	(161.443.535)	(68.520.986)	-	18.793.186	(211.171.334)
<b>Gross profit/(loss)</b>	104.410.327	(5.855.956)	-	-	98.554.371
General administrative,marketing selling distribution expenses (-)	(5.639.851)	-	(8.674.601)	-	(14.314.452)
Other operating income/expenses (-), net	(536.422)	(41.370)	(4.273.018)	-	(4.850.810)
<b>Operating profit/ (loss)</b>	97.229.983	(5.897.326)	(11.943.548)	-	79.389.109
Income from investment activities	-	-	181.050	-	181.050
Expense from investment activities (-)	-	-	(189)	-	(189)
Profit/loss from investments accounted by equity method	-	-	5.647.182	-	5.647.182
<b>Operating profit/(loss) before financial income/expense</b>	97.229.983	(5.897.326)	(6.296.366)	-	85.217.152
Financial income/(expenses), (net)	-	-	(4.519.032)	-	(4.519.032)
<b>Profit/(loss) before tax from continuing operations</b>	97.229.983	(5.897.326)	(10.815.398)	-	80.698.120
<b>Tax (expense)/income from continuing operations</b>	-	-	(15.291.308)	-	(15.291.308)
Current period tax expense (-)	-	-	(14.761.016)	-	(14.761.016)
Deferred tax income/expense	-	-	(530.292)	-	(530.292)
<b>Profit/(loss) for the period from continuing operations</b>	97.229.983	(5.897.326)	(26.106.706)	-	65.406.812

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(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

#### 4. SEGMENT REPORTING (Continued)

1 January - 30 June 2015					
Other segment information	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Property, plant and equipment	32.566.155	418.111	-	-	32.984.266
Intangible assets	-	-	-	-	-
<b>Total investment expenditures</b>	<b>32.566.155</b>	<b>418.111</b>	<b>-</b>	<b>-</b>	<b>32.984.266</b>
Depreciation expenses	(21.596.426)	(6.218.137)	-	-	(27.814.563)
Amortization expenses	(140.684)	-	-	-	(140.684)

  

1 January - 30 June 2014					
Other segment information	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Property, plant and equipment	14.030.567	738.277	-	-	14.768.844
Intangible assets	14.579	-	-	-	14.579
<b>Total investment expenditures</b>	<b>14.045.146</b>	<b>738.277</b>	<b>-</b>	<b>-</b>	<b>14.783.423</b>
Depreciation expenses	(21.455.323)	(5.589.127)	-	-	(27.044.450)
Amortization expenses	(951.456)	-	-	-	(951.456)

  

1 April - 30 June 2015					
Other segment information	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Property, plant and equipment	14.841.428	374.572	-	-	15.216.000
Intangible assets	-	-	-	-	-
<b>Total investment expenditures</b>	<b>14.841.428</b>	<b>374.572</b>	<b>-</b>	<b>-</b>	<b>15.216.000</b>
Depreciation expenses	(11.201.616)	(2.947.456)	-	-	(14.149.072)
Amortization expenses	-	-	-	-	-

  

1 April - 30 June 2014					
Other segment information	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Property, plant and equipment	4.222.400	331.037	-	-	4.553.437
Intangible assets	2.474	-	-	-	2.474
<b>Total investment expenditures</b>	<b>4.224.874</b>	<b>331.037</b>	<b>-</b>	<b>-</b>	<b>4.555.911</b>
Depreciation expenses	(10.685.460)	(2.806.672)	-	-	(13.492.132)
Amortization expenses	(485.253)	-	-	-	(485.253)



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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**4. SEGMENT REPORTING (Continued)**

30 June 2015	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Assets and liabilities					
Segment assets	1.381.455.337	154.271.259	-	-	1.535.726.596
Available for sale financial investments	-	-	56.978	-	56.978
Investments accounted by equity method	-	-	191.835.283	-	191.835.283
Undistributed assets	-	-	45.441.751	-	45.441.751
<b>Total assets</b>	<b>1.381.455.337</b>	<b>154.271.259</b>	<b>237.334.012</b>	<b>-</b>	<b>1.773.060.608</b>
Segment liabilities					
Segment liabilities	587.909.361	47.988.816	-	-	635.898.177
Undistributed liabilities	-	-	1.137.162.431	-	1.137.162.431
<b>Total liabilities</b>	<b>587.909.361</b>	<b>47.988.816</b>	<b>1.137.162.431</b>	<b>-</b>	<b>1.773.060.608</b>

31 December 2014	Cement	Ready-mix concrete	Undistributed	Elimination	Total
Assets and liabilities					
Segment assets	1.159.893.976	148.071.595	-	-	1.307.965.571
Available for sale financial investments	-	-	56.978	-	56.978
Investments accounted by equity method	-	-	184.835.754	-	184.835.754
Undistributed assets	-	-	14.868.638	-	14.868.638
<b>Total assets</b>	<b>1.159.893.976</b>	<b>148.071.595</b>	<b>199.761.370</b>	<b>-</b>	<b>1.507.726.941</b>
Segment liabilities					
Segment liabilities	293.848.999	44.146.311	-	-	337.995.310
Undistributed liabilities	-	-	1.169.731.631	-	1.169.731.631
<b>Total liabilities</b>	<b>293.848.999</b>	<b>44.146.311</b>	<b>1.169.731.631</b>	<b>-</b>	<b>1.507.726.941</b>

The Group does not have any particular customer which comprises 10% or more of the total sales.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**5. CASH AND CASH EQUIVALENTS**

The detail of cash and cash equivalents as of 30 June 2015 and 31 December 2014 is as follows:

	30 June 2015	31 December 2014
Cash	1.757.775	7.878
Cash at banks	192.046.112	47.194.365
Demand deposits	20.741.140	16.416.405
Time deposits with maturity of less than 3 months	171.304.972	30.777.960
Cheques in collection	3.776.821	2.268.891
	<u>197.580.708</u>	<u>49.471.134</u>

The detail of bank deposits is stated below:

	30 June 2015	31 December 2014
TRY	174.960.925	33.419.670
EUR	12.574.922	10.285.613
USD	3.693.289	3.058.364
GBP	5.036	63.582
Other	811.940	367.136
	<u>192.046.112</u>	<u>47.194.365</u>

All time deposits as of 30 June 2015 are denominated in TRY with the maturity of less than three months. As of 30 June 2015, effective weighted average interest rate on time deposits is 9,8% (31 December 2014: 8,0%)

The Group does not have any blocked deposits as of 30 June 2015 and 31 December 2014.

**6. TRADE RECEIVABLES AND PAYABLES**

**a. Trade receivables**

	30 June 2015	31 December 2014
Short-term trade receivables		
Trade receivables	285.184.716	209.685.865
Notes receivable	51.063.982	51.507.457
Due from related parties (Note 23)	459.354	782.614
Allowance for doubtful receivables (-)	(6.629.858)	(6.618.509)
	<u>330.078.194</u>	<u>255.357.427</u>

Trade receivables' collection terms vary based on the type of the product and agreements made with the customers and the average term is 73 days (31 December 2014- 70 days). Effective interest rates used when determining the amortized cost are 10,64% for TRY, 2,01% for USD and 1,57% for EUR (31 December 2014 - TRY: 10,74%, USD: 2,07%, EUR: 2,14%).

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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

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(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**6. TRADE RECEIVABLES AND PAYABLES (Continued)**

**b. Trade receivables (Continued)**

The movement of the provision for doubtful receivables for the periods ended 30 June 2015 and 30 June 2014 is as follows:

	1 January- 30 June 2015	1 January- 30 June 2014
<u>Allowance for doubtful receivables</u>		
Opening balance	6.618.509	6.858.683
Provisions during the period (Note 18)	99.271	139.515
Provisions no longer required (-) (Note 18)	(148.756)	(162.773)
Collections within the period	(1.764)	(16.666)
Currency translation difference	62.598	-
Closing balance	<u>6.629.858</u>	<u>6.818.759</u>

**b. Trade payables**

	30 June 2015	31 December 2014
<u>Short-term trade payables</u>		
Trade payables	73.286.644	126.657.295
Trade payables to related parties (Note 23)	6.610.346	7.747.683
	<u>79.896.990</u>	<u>134.404.978</u>

The average payment period of trade payables is 51 days (31 December 2014- 53 days). Effective interest rates used when determining the amortized cost are 10,64% for TRY, 2,01% for USD and 1,57% for EUR (31 December 2014 - TRY: 10,74%, USD:% 2,07, EUR 2,14%).

**7. FINANCIAL BORROWINGS**

The detail of Group's financial borrowings as of the balance sheet date is stated below:

	30 June 2015	31 December 2014
<u>Borrowings</u>		
Short-term borrowings	278.285.350	64.460.792
Current portion of long-term borrowings	<u>37.476.044</u>	<u>20.788.733</u>
	<u>315.761.394</u>	<u>85.249.525</u>
Long-term borrowings	130.952.908	20.426.403
	<u>130.952.908</u>	<u>20.426.403</u>
Total borrowings	<u>446.714.302</u>	<u>105.675.928</u>

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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

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(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**7. FINANCIAL BORROWINGS (Continued)**

The details of the borrowings and financial lease liabilities as of 30 June 2015 are as follows:

Secured/ Unsecured	Interest type	Currency type	Weighted average interest rate (%)	Original Balance	Short-term	Long-term	30 June 2015
Unsecured	Fixed	TRY	10,69	346.508.246	226.809.453	119.698.793	346.508.246
Unsecured	Fixed	USD	1,99	11.000.000	29.549.300	-	29.549.300
Unsecured	Fixed	EUR	1,50	17.676.129	52.713.752	-	52.713.752
Secured	Fixed	EUR	0,01	3.724.282	3.878.408	7.228.145	11.106.553
Secured	Floating	EUR	1,75	2.251.265	2.687.752	4.025.970	6.713.722
Unsecured	Interest free	TRY	-	122.729	122.729	-	122.729
					<b>315.761.394</b>	<b>130.952.908</b>	<b>446.714.302</b>

The details of the borrowings and financial lease liabilities as of 31 December 2014 are as follows:

Secured/ Unsecured	Interest type	Currency type	Weighted average interest rate (%)	Original Balance	Short-term	Long-term	31 December 2014
Unsecured	Fixed	EUR	2,05	17.657.746	49.807.203	-	49.807.203
Unsecured	Fixed	TRY	10,65	21.492.293	14.325.931	7.166.363	21.492.294
Unsecured	Fixed	USD	2,06	6.000.000	13.913.400	-	13.913.400
Secured	Fixed	EUR	0,01	4.523.380	4.576.319	8.182.780	12.759.099
Secured	Floating	EUR	1,75	2.701.864	2.543.887	5.077.260	7.621.147
Unsecured	Interest free	TRY	-	82.785	82.785	-	82.785
					<b>85.249.525</b>	<b>20.426.403</b>	<b>105.675.928</b>

The repayment schedule of the borrowings as of 30 June 2015 and 31 December 2014 is as follows:

	30 June 2015	31 December 2014
To be paid within 1 year	315.761.394	85.249.525
To be paid between 1-2 years	49.733.599	12.397.139
To be paid between 2-3 years	35.127.674	5.230.777
To be paid between 3-4 years	14.182.243	1.704.902
To be paid between 4-5 years	11.391.500	463.794
More than 5 years	20.517.892	629.791
	<b>446.714.302</b>	<b>105.675.928</b>

According to feasibility studies, Afyon Çimento Sanayi Türk A.Ş., the subsidiary of the Company, needs USD 165.000.000 fund for reestablish the current production facilities in rural area with modern technologies. TRY 97.000.000 fund that will be provided from the share capital increase from TRY 3.000.000 to TRY 100.000.000 will be used for financing investment expenditures. The remaining part of the investment expenditures will be financed with long term bank borrowings. For TRY 300.000.000 line of credit, loan agreements were signed with 2 banks. TRY 100.000.000 with 10,83% fixed interest and TRY 200.000.000 with 10,35% fixed interest will be used from TSKB and Türkiye İş Bankası respectively. Maturities will be 7 years and in first two years no principal payment will be made. As of 30 June 2015, total loan usage is TRY 86.666.667. The whole limit from 2 banks will be used in 1 year from agreement date.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**8. OTHER RECEIVABLES AND OTHER PAYABLES**

**a. Other receivables**

	30 June 2015	31 December 2014
<b>Short-term other receivables</b>		
Due from personnel	492.358	634.618
Receivables from insurance claims	441.249	238.602
Other receivables from related parties (Note 23)	-	113.967
Other miscellaneous receivables	753.646	753.646
Provision for doubtful other receivables (-)	(753.646)	(753.646)
	<u>933.607</u>	<u>987.187</u>
	30 June 2015	31 December 2014
<b>Long-term other receivables</b>		
Deposits and guarantees given	3.956.133	2.909.694
	<u>3.956.133</u>	<u>2.909.694</u>

**b. Other payables**

	30 June 2015	31 December 2014
<b>Short-term other payables</b>		
Deposits and guarantees received	4.865.743	3.574.314
Taxes and funds payable	6.508.651	4.764.685
Other payables to related parties (Note 23)	117.490	1.719.993
	<u>11.491.884</u>	<u>10.058.992</u>

**9. INVENTORIES**

	30 Haziran 2015	31 December 2014
<b>Inventories</b>		
Raw materials	65.163.023	68.827.562
Work-in progress	25.687.243	33.950.324
Finished goods	15.544.237	13.088.638
Other inventories	3.325.192	6.110.339
Inventory impairment provision (-)	(2.331.028)	(2.335.708)
	<u>107.388.667</u>	<u>119.641.155</u>
	1 January- 30 June 2015	1 January- 30 June 2014
<b>Inventory impairment provision movement:</b>		
Opening balance	2.335.708	2.072.420
Reversal of the provision (-) (Note 17)	(4.680)	(31.788)
Closing balance	<u>2.331.028</u>	<u>2.040.632</u>

The Group allocates an allowance for the impairment on the inventories of finished goods, work in progress and raw materials in the cases when their net realizable values are lower than their costs or when they are classified as slow moving inventories. The provision has been recognized under cost of sales.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**10. PREPAID EXPENSES AND DEFERRED INCOME**

**a. Prepaid Expenses**

	30 June 2015	31 December 2014
<b>Short-term prepaid expenses</b>		
Prepaid expenses	7.967.622	2.183.067
Advances given to suppliers	562.385	734.527
	<u>8.530.007</u>	<u>2.917.594</u>
<b>Long-term prepaid expenses</b>		
Advances given for fixed assets	30.377.289	895.327
Prepaid expenses	111.731	127.017
	<u>30.489.020</u>	<u>1.022.344</u>

The advances given for fixed assets amounting TRY 26.921.578 is related to new factory investment of the Company's subsidiary Afyon Çimento T.A.Ş.

**b. Deferred Income**

	30 June 2015	31 December 2014
<b>Short-term deferred income</b>		
Advanced received	4.768.163	2.658.362
Deferred income	2.530.540	3.113.951
	<u>7.298.703</u>	<u>5.772.313</u>

**11. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS**

The amount of tangible and intangible assets purchased for the period ending as of 30 June 2015 is TRY 32.984.266 (30 June 2014: TRY 14.783.423).

The net book value of tangible and intangible assets sold for the period ending as of 30 June 2015 is TRY 56.104 (30 June 2014: TRY 1.233.470).

For the period ending as of 30 June 2015 cost of goods sold contains depreciation and amortisation expenses of TRY 27.099.015 (30 June 2014: TRY 27.326.997), general and administrative expenses contains depreciation and amortisation expenses of TRY 832.072 (30 June 2014: TRY 649.337) and sales and distribution expenses contains depreciation and amortisation expenses of TRY 24.161 (30 June 2014: TRY 19.572)

As of 30 June 2015, there is pledge and/or mortgage on assets of the Group amounting TRY 63.802.389 (31 December 2014: TRY 60.744.453).

As of 30 June 2015, the Group capitalized financing expenses and income amounting TRY 5.021.935 and TRY 1.540.000 on construction in progress, respectively. Accordingly, net capitalized financing expenses on construction in progress are TRY 3.481.935 (31 December 2014: TRY 4.686.644).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**12. PROVISION, CONTINGENT ASSETS AND LIABILITIES**

**a. Short-Term Provisions**

	30 June 2015	31 December 2014
Short-term provisions		
Provision for litigations	10.209.926	10.700.000
Short-term provisions for employee benefits	-	3.836.152
	<u>10.209.926</u>	<u>14.536.152</u>

The movement of “Provision for the litigations” as of 30 June 2015 and 30 June 2014 is stated below:

	1 January- 30 June 2015	1 January- 30 June 2014
Provision for the litigation movement		
Opening balance	10.700.000	3.449.178
Additional provision (Note 18)	845.473	2.250.600
Provision no longer required (-) (Note 18)	(1.335.547)	(6.049)
Closing balance	<u>10.209.926</u>	<u>5.693.729</u>

**b. Long-term provisions**

	30 June 2015	31 December 2014
Long-term provisions		
Long-term provisions for employee benefits	19.964.111	19.490.245
Other long term provisions	4.783.033	4.890.648
	<u>24.747.144</u>	<u>24.380.893</u>
	30 June 2015	31 December 2014
Other long term provisions		
Recultivation provision	4.647.033	4.814.648
Provision for the unlawful occupation	136.000	76.000
	<u>4.783.033</u>	<u>4.890.648</u>

The operations of the Group such as mining, cement production are subject to the Environment Law, and to the Land Protection and Utilization Law. All liabilities such as taxes, duties and emission fees resulting from this legislation have been fulfilled by the Group. This legislation addresses the costs that could arise from recovering the damage, pollution in the land while vacating the mines. Accordingly, the management calculated the estimated cost of plans that is deemed to meet the requirements of legislation related with the mining areas in which the Group operates. The Group has accounted and disclosed the recultivation provision amounting to TRY 4.647.033 under “Other Long Term Provisions” as of 30 June 2015 (31 December 2014: TRY 4.814.648).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**12. PROVISION, CONTINGENT ASSETS AND LIABILITIES (Continued)**

The movement of “the recultivation provision” as of 30 June 2015 and 30 June 2014 is as follows:

	1 January- 30 June 2015	1 January- 30 June 2014
<b>Recultivation provision movement</b>		
Opening balance	4.814.648	3.707.160
Additional provision (Note 18)	-	239.339
Provision no longer required (-) (Note 18)	(167.615)	-
Closing balance	<u>4.647.033</u>	<u>3.946.499</u>

The movement of “the provision for the unlawful occupation” as of 30 June 2015 and 30 June 2014 is as follows:

	1 January- 30 June 2015	1 January- 30 June 2014
<b>Unlawful occupation provision movement</b>		
Opening balance	76.000	214.000
Additional provision	60.000	31.500
Provision paid	-	(214.000)
Closing balance	<u>136.000</u>	<u>31.500</u>

Afyon Çimento Sanayi Türk A.Ş. pays a usage fee to Afyonkarahisar Governors National Estate Department for the 17.281 m<sup>2</sup> portion of the land in the factory area which is owned by the National Estate Department. As of 30 June 2015, the amount of the unlawful occupation provision is TRY 136.000 (31 December 2014: TRY 76.000).

**c. Collaterals, pledges and mortgages**

The collaterals, pledges and mortgages (CPM) received by the Group as of 30 June 2015 and 31 December 2014 are as follows:

	Original Currency	30 June 2015		31 December 2014	
		Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
Letters of guarantee received	TRY	213.609.687	213.609.687	197.347.472	197.347.472
Letters of guarantee received	USD	17.584.225	47.236.504	10.693.100	24.796.230
Letters of guarantee received	EUR	10.246.720	30.557.768	5.818.766	16.412.993
Mortgages	TRY	22.978.162	22.978.162	24.333.437	24.333.437
Mortgages	EUR	1.400.000	4.175.080	1.400.000	3.948.980
Mortgages	RUBLE	175.174.835	8.429.413	175.174.835	7.049.035
Cheques and notes received	TRY	21.307.960	21.307.960	21.307.960	21.307.960
Cheques and notes received	EUR	95.000	283.309	135.000	380.795
Cheques and notes received	USD	47.300	127.062	47.300	109.684
Pledges	TRY	16.790.504	16.790.504	14.801.577	14.801.577
Total			<u>365.495.449</u>		<u>310.488.163</u>



(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**12. PROVISION, CONTINGENT ASSETS AND LIABILITIES (Continued)**

As of 30 June 2015 and 31 December 2014, the details of the CPM given are as follows:

	30 June 2015			31 December 2014	
	Original Currency	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
A. Total CPMs given for the Company's own legal entity	TRY	62.921.353	62.921.353	70.517.260	70.517.260
	USD	31.022.073	83.334.595	26.772.396	62.082.509
	EUR	17.805.600	53.099.860	17.805.600	50.224.256
B. Total CPMs given in favour of subsidiaries consolidated on line-by-line basis			-	-	-
C. Total CPMs given in favour of other 3rd parties for ordinary trading operations			-	-	-
D. Other CPMs given			-	-	-
i. Total CPMs given in favour of parent entity			-	-	-
ii. Total CPMs given in favour of other Group companies out of scope of clause B and C			-	-	-
iii. Total CPMs given in favour of other 3rd parties out of scope of clause C			-	-	-
			<u>199.355.808</u>	<u>182.824.025</u>	

The ratio of other CPMs to the Group's equity as of 30 June 2015 is 0% (31 December 2014: 0%).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**12. PROVISION, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**d. Contingent Liabilities:**

Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (“Exsa”), of which the Group owns 32,875% of the shares and is an investment accounted by equity method was subject to tax investigation in the year 2012 regarding corporate tax calculation for the year 2010 and tax charge amounting to TRY 39.219.428 (effect to the Group: TRY 12.893.387) and related penalty amounting to TRY 58.829.143 (effect to the Group: TRY 19.340.081) were charged to Exsa on 22 January 2013. The tax investigation was related to the spin off transaction which was also subject to tax investigation in 2010. The total tax charge and penalty charged to Exsa as a result of the first investigation in 2010 amounting to TRY 281.115.699 (effect to the Group: TRY 92.416.786) were reconciled with the Ministry of Finance, where the tax penalty was waived, the total tax burden was decreased to TRY 14.558.396 (effect to the Group: TRY 4.786.073) and in the year 2011, a total of TRY 21.000.000 together with interest (effect to the Group: TRY 6.903.750) was paid. Exsa appealed for a reconciliation settlement process for the tax charge dated 22 January 2013 to Ministry of Finance on 25 January 2013. No reconciliation was provided in the meeting held between the Company and the Ministry of Finance Central Reconciliation Commission on 10 October 2013 and the Company filed a lawsuit by the Tax Court as of 24 October 2013. As of the date of this report, the legal proceedings initiated by the Company continue. In accordance with the opinion of the Group’s legal advisors and tax experts, no provisions have been made in the accompanying consolidated financial statements for the interim period ended 30 June 2015 for the tax penalties and notifications considering the uncertainty as to the outcome of the legal proceedings.

**13. COMMITMENTS**

The table below shows the details of foreign currency purchase / sale commitments relating to the outstanding forward contracts of the Group as of 30 June 2015 and 31 December 2014:

<b>30 June 2015</b>	<b>Average contract rate</b>	<b>Purchase in original currency</b>	<b>Sales in original currency</b>	<b>Original Currency (TRY equivalent)</b>	<b>Contract Value (TRY Equivalent)</b>	<b>Fair Value</b>
<b>Outstanding purchase/ sale contract</b>						
<b>Up to 3 months</b>						
USD sale/TRY purchase	2,4747	3.712.050	1.500.000	3.712.050	4.005.925	(293.875)
EUR sale/TRY purchase	3,0846	13.880.750	4.500.000	13.880.750	13.589.017	291.733
						<b>(2.142)</b>
<b>3-6 months</b>						
USD sale/TRY purchase	2,5209	8.823.000	3.500.000	8.823.000	9.596.840	(773.840)
EUR sale/TRY purchase	3,0601	9.180.250	3.000.000	9.180.250	9.254.824	(74.573)
						<b>(848.413)</b>
						<b>(850.555)</b>
<b>Up to 3 months</b>						
USD sale	3,6676	14.083.488	3.840.000	10.315.392	10.044.305	<b>271.087</b>
Total						<b>(579.468)</b>
<b>31 December 2014</b>						
<b>Outstanding purchase/ sale contract</b>						
<b>Up to 3 months</b>						
USD sale	3,6742	28.218.096	7.680.000	17.809.152	18.145.610	<b>(336.458)</b>
Total						<b>(336.458)</b>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**14. OTHER ASSETS AND LIABILITIES**

**a. Other assets**

	30 June 2015	31 December 2014
<b>Other current assets</b>		
Job and personnel advances	7.540.061	1.881.831
Deferred VAT	203.898	1.195.155
Other current assets	452.816	386.539
	<u>8.196.775</u>	<u>3.463.525</u>
	30 June 2015	31 December 2014
<b>Other non-current assets</b>		
Export VAT (*)	4.898.816	4.204.459
Other non-current assets	31.862	4.729
	<u>4.930.678</u>	<u>4.209.188</u>

(\*) According to VAT Law no 11/c, the VAT amount regarding to the goods which are rendered to export dealers by manufacturers is not collected, and are recorded to export VAT and deferred VAT accounts. Uncollected VAT is declared on related VAT declaration; accrued VAT is deferred and recorded to deferred VAT accounts. After verification of the realization of export, tax administration makes cancellation for the deferred VAT. Accordingly, amounts in export VAT and deferred VAT are netted off.

**b. Other liabilities**

	30 June 2015	31 December 2014
<b>Other short term liabilities</b>		
Other short term liabilities	1.968.168	406.298
	<u>1.968.168</u>	<u>406.298</u>

**15. EQUITY, RESERVES AND OTHER EQUITY ITEMS**

As of 30 June 2015 and 31 December 2014, the composition of shareholders is as follows:

Shareholders (*)	30 June 2015		31 December 2014	
	(%)	Tutar	(%)	Tutar
Hacı Ömer Sabancı Holding A.Ş.	49,42	66.765.208	49,42	66.765.208
Aberdeen Asset Managers Limited (**)	11,02	14.879.968	11,39	15.386.524
Akçansa Çimento San. ve Tic. A.Ş.	8,98	12.130.560	8,98	12.130.560
Adana Çimento San. T.A.Ş.	5,11	6.908.993	5,11	6.908.993
Hacı Ömer Sabancı Vakfı	0,11	150.000	0,11	150.000
Diğer ortaklar	25,35	34.249.713	24,98	33.743.157
Nominal share capital	100	135.084.442	100	135.084.442
Inflation adjustment		41.741.516		41.741.516
Rearranged share capital		<u>176.825.958</u>		<u>176.825.958</u>

(\*) Public quotation of the Group is 41,47% as of 30 June 2015 (31 December 2014: 41,47%). As of 30 June 2014, actual free float rate is 39,91 % (31 December 2014: 29,75%)

(\*\*) Aberdeen Asset Management Limited holds 11,02 % of the total capital as being the discretionary portfolio manager of the managed multiple portfolios.

The share capital of the Group as of 30 June 2015 consists of 13.508.444.200 shares. (31 December 2014: 13.508.444.200 shares). The nominal value per share is 1 Kr (31 December 2014: per share 1 Kr).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**15. EQUITY, RESERVES AND OTHER EQUITY ITEMS (Continued)**

**Restricted reserves and retained earnings**

**Legal 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 profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Group’s share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Group’s share 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.

**Retained earnings**

The Ordinary General Assembly of 2014 has been held on 26 March 2015, the decisions to pay TRY 174.529.099 of dividend (2014: TRY 155.887.446) and to allocate TRY 16.777.488 of “Legal reserves” (2014: TRY 14.913.322) and TRY 1.674.072 “Extraordinary reserves” were unanimously approved (2014: TRY 131.510.049) and the payment was completed by distributing the first part of TRY 110.821.507 on 31 March 2015, and the remaining on 1 April 2015 (Note: 22).

**Profit Distribution**

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from 1 February 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 instalments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

Companies should include at least the following in their profit distribution policies:

- a) Whether dividends will be distributed, and if distributed, the dividend distribution rate for shareholders and for others participating in the distribution.
- b) Payment type of dividend distribution.
- c) Time of dividend distribution; on condition that the distribution procedures to be started at the latest of the end of the annual period in which general assembly meeting was held in which the distribution was agreed upon.
- d) Whether dividend advances will be distributed, and if distributed, the related principles.

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**15. EQUITY, RESERVES AND OTHER EQUITY ITEMS (Continued)**

**Profit Distribution (Continued)**

As of 30 June 2015 and 31 December 2014, the composition of consolidated legal reserves, extraordinary reserves, accumulated profit, share premiums and other reserves existing in the statutory records of the Company can be summarized as follows:

	30 June 2015	31 December 2014
Legal reserves	153.288.088	136.510.601
Other capital reserves (*)	238.622.403	238.197.945
Extraordinary reserves	52.812.384	52.635.185
Accumulated profit due to inflation difference (*)	68.691.034	68.691.034
Share premiums	30.131	30.131
Special funds	15.698.724	15.698.724
	<u>529.142.763</u>	<u>511.763.620</u>

(\*)In accordance with the dividend payment policy that has been approved in the Ordinary General Assembly of the year 2014 held on 26 March 2015, the net profit for the period available for distribution, amounting to TRY 191.908.243,37 in the statutory records, and prepared in line with the decrees of Tax Procedure Law has been decided to be allocated as the following: TRY 177.199,53 as “Extraordinary reserves” and TRY 424.457,08 as “Special reserves” recorded as a liability in the statement of financial position under the investment and real estate sales income accounts.

**Foreign currency translation differences**

According to TAS 21 “Effects of Changes in Foreign Exchange Rates”, during the consolidation, the assets and liabilities of Group’s subsidiaries and joint ventures in foreign countries are translated to Turkish Lira with respect to the exchange rates on the balance sheet date. Income and expense items are translated via the average exchange rates. The differences emerged as a result of using the closing and average exchange rates are accounted for as foreign currency translation differences in the comprehensive statement of income.

**Non- controlling interests**

Amounts attributable to shares of the parent company and the subsidiaries are reduced from all equity amounts-including paid in and issued capital- of the subsidiaries in the scope of the consolidation and is displayed in the consolidated statement of financial position under the equity account group as non-controlling interest account.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**16. SALES**

Sales	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Domestic sales	413.402.134	262.852.325	434.074.687	252.469.324
Export sales	206.491.053	99.558.053	138.963.435	79.260.894
Sales discounts (-)	(8.350.418)	(4.628.518)	(7.539.927)	(3.525.238)
Other deductions (-)	(47.362.500)	(28.569.902)	(30.308.011)	(18.479.275)
	<u>564.180.269</u>	<u>329.211.958</u>	<u>535.190.184</u>	<u>309.725.705</u>

**17. OPERATING EXPENSES BY NATURE**

The detail of costs of sales for the periods between 1 January – 30 June 2015 and 2014 is as follows:

Cost of sales	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Energy costs	(159.725.895)	(83.375.802)	(161.688.040)	(83.650.104)
Direct material and supplies	(82.883.107)	(39.427.165)	(86.328.863)	(47.972.045)
Depreciation and amortization	(27.099.015)	(13.711.843)	(27.326.997)	(13.661.848)
Direct labor expenses	(4.983.017)	(2.535.556)	(3.347.864)	(1.680.231)
Other production expenses	(91.666.845)	(48.392.289)	(94.895.817)	(48.570.186)
Total production cost	<u>(366.357.879)</u>	<u>(187.442.655)</u>	<u>(373.587.581)</u>	<u>(195.534.414)</u>
Change in work-in-process	(8.263.309)	(15.508.529)	(789.381)	(14.836.366)
Change in finished and trade goods	351.868	(486.687)	(1.463.720)	963.915
Reversal of inventory impairment provision (Note: 9)	4.680	3.891	31.788	23.455
Cost of trade goods sold and other	(5.233.275)	497.493	(2.721.198)	(1.786.469)
	<u>(379.497.915)</u>	<u>(202.936.487)</u>	<u>(378.530.092)</u>	<u>(211.171.334)</u>

The detail of general administration expenses for the periods between 1 January – 30 June 2015 and 2014 is as follows:

General administration expenses	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Personnel expenses	(11.606.779)	(5.987.884)	(10.841.372)	(6.028.708)
Consultancy expenses	(4.136.042)	(2.748.451)	(2.624.000)	(1.107.402)
Tax, duty and charges	(2.950.278)	(1.941.651)	(2.522.581)	(1.549.043)
IT expenses	(1.142.612)	(665.379)	(875.679)	(396.280)
Communication and advertising expenses	(1.106.038)	(676.383)	(809.499)	(504.632)
Travel expenses	(904.786)	(515.228)	(840.670)	(388.460)
Severance payments	(881.969)	(355.156)	(1.353.605)	(284.285)
Depreciation and amortization expenses	(832.072)	(424.395)	(649.337)	(305.665)
Insurance expenses	(629.727)	(277.441)	(548.324)	(272.549)
Rent expenses	(628.684)	(322.296)	(520.122)	(269.444)
Representation expenses	(194.798)	(129.366)	(146.461)	(76.284)
Maintenance expenses	(114.114)	(69.282)	(123.974)	(45.873)
Other miscellaneous expenses	(1.761.020)	(803.044)	(1.629.681)	(928.722)
	<u>(26.888.919)</u>	<u>(14.915.957)</u>	<u>(23.485.304)</u>	<u>(12.157.347)</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
 ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**17. OPERATING EXPENSES BY NATURE (Continued)**

The detail of marketing, selling and distribution expense for the periods between 1 January – 30 June 2015 and 2014 is as follows:

Marketing, selling and distribution expenses	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Personnel expenses	(2.128.165)	(1.103.596)	(2.441.965)	(1.470.545)
Travel expenses	(355.222)	(163.788)	(372.123)	(221.497)
Rent expenses	(116.264)	(68.482)	(116.847)	(61.349)
Insurance expenses	(104.605)	(47.958)	(60.301)	(31.821)
Communication and advertising expenses	(61.911)	(33.621)	(23.313)	(6.317)
Representation expenses	(33.531)	(11.224)	(48.013)	(35.408)
Consultancy expenses	(27.687)	(22.010)	(125.322)	(44.441)
Depreciation and amortization expenses	(24.161)	(12.835)	(19.572)	(9.871)
Other miscellaneous expenses	(554.107)	(224.217)	(495.460)	(275.856)
	<u>(3.405.651)</u>	<u>(1.687.730)</u>	<u>(3.702.916)</u>	<u>(2.157.105)</u>

**18. OTHER OPERATING INCOME AND EXPENSES**

Other operating income	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Foreign exchange gain from operating	18.459.895	6.813.951	9.681.378	3.026.294
Provisions no longer required (Note 6/	1.504.926	606.496	168.822	105.973
Sales of scrap and miscellaneous	1.214.392	405.955	1.512.312	586.184
Time deposit interest income (less than three months)	1.184.814	733.099	1.694.563	202.806
Overdue and interest income from operating activities	488.978	157.944	662.849	358.910
Other income	969.301	491.493	1.014.259	420.986
	<u>23.822.306</u>	<u>9.208.938</u>	<u>14.734.183</u>	<u>4.701.153</u>

Other operating expense	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Foreign exchange loss from operating activities	(8.689.742)	(2.990.654)	(12.526.078)	(5.665.568)
Interest expense of retirement pay provision	(304.073)	(152.036)	(288.939)	(144.470)
Provision expenses (6/12)	(756.717)	(665.485)	(2.660.955)	(1.946.428)
Donations and grants	(182.692)	(92.611)	(99.324)	(60.201)
Compensation and penalty expenses	(151.482)	(73.795)	(1.543.615)	(761.689)
Other expenses	(2.186.018)	(612.134)	(2.108.841)	(973.607)
	<u>(12.270.724)</u>	<u>(4.586.715)</u>	<u>(19.227.752)</u>	<u>(9.551.963)</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

**19. INCOME AND EXPENSE FROM INVESTMENT ACTIVITIES**

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
<b>Income from investment activities</b>				
Rent income	918.933	442.888	307.454	147.893
Fixed assets sales income	312.347	203.145	1.414.962	11.653
Dividend income	18.249	18.249	21.504	21.504
	<u>1.249.529</u>	<u>664.282</u>	<u>1.743.920</u>	<u>181.050</u>
<b>Expense from investment activities</b>				
Fixed assets sales expense	(43.467)	(20.273)	(364.995)	(189)
	<u>(43.467)</u>	<u>(20.273)</u>	<u>(364.995)</u>	<u>(189)</u>

**20. FINANCIAL INCOME / EXPENSE**

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
<b>Financial income</b>				
Foreign exchange gain from bank borrowings	-	-	536.303	536.303
Total financial income	<u>-</u>	<u>-</u>	<u>536.303</u>	<u>536.303</u>
<b>Financial expenses</b>				
Foreign exchange loss from bank borrowings	(5.887.329)	(3.736.244)	-	1.160.769
Bank borrowings interest expenses	(5.857.897)	(5.246.692)	(8.933.555)	(5.930.369)
Other financial expenses	(522.541)	(196.029)	(670.597)	(285.735)
Total financial expenses	<u>(12.267.766)</u>	<u>(9.178.964)</u>	<u>(9.604.152)</u>	<u>(5.055.335)</u>

**21. INCOME TAXES**

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries where the Group is operating. In Turkey, the corporation tax rate is 20%. Corporate tax returns are required to be filed until the twenty fifth 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 thus calculated and paid are offset against the final corporate tax liability for the year.

In Turkey, the tax legislation does not permit a parent group 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.

The dividend payments made other than to the companies resident in Turkey that are not responsible from the corporate and income tax and the dispensed ones and to resident and nonresident individuals and nonresident legal entities in Turkey are due to 15% income tax. The dividend payments made from the resident companies in Turkey to again resident companies in Turkey are not due to tax, and in case of not calculating the profit or not adding to capital, the income tax is not calculated.

In accordance with the “General Communiqué” (Serial no: 1) on “Disguised Profit Distribution Through Transfer Pricing” was published in November 2007, the forms should be prepared until the deadline of annual corporate tax return.



**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**21. INCOME TAXES (Continued)**

As of 30 June 2015 and 31 December 2014, corporate tax payables are summarized as follows:

	30 June 2015	31 December 2014
Corporate tax liability		
Current period corporate tax provision	(30.584.280)	(50.130.296)
Prepaid taxes and funds (-)	9.945.820	39.117.651
	<u>(20.638.460)</u>	<u>(11.012.645)</u>

The detail of the tax expenses is as follows:

Tax expenses	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Current period corporate tax expense	(30.584.280)	(20.434.231)	(24.036.354)	(14.761.016)
Deferred tax expense	(581.729)	(394.487)	(409.026)	(530.292)
	<u>(31.166.009)</u>	<u>(20.828.718)</u>	<u>(24.445.380)</u>	<u>(15.291.308)</u>

The details of the deferred tax assets and liabilities of the Group as of 30 June 2015 and 31 December 2014 are as follows:

	30 June 2015	31 December 2014
Deferred tax assets:		
Tax losses carried forward (*)	3.236.823	3.093.085
Provisions for employee benefits	3.992.822	4.665.279
Recultivation provision	929.407	962.930
Doubtful provision for receivables	294.434	365.133
Provision for litigations	2.041.985	2.140.000
Fair value of derivative instruments	170.111	84.115
Inventory impairment provision	466.206	467.142
Rediscount of receivables	458.431	298.717
Other	2.588.229	2.053.377
	<u>14.178.448</u>	<u>14.129.778</u>

**Deferred tax liabilities:**

Goodwill	(24.589.322)	(24.589.322)
Property, plant and equipment and intangible assets	(10.410.839)	(10.120.351)
Fair value of derivative instruments	(54.217)	-
Rediscount of payables and borrowings	(135.525)	(73.846)
	<u>(35.189.904)</u>	<u>(34.783.519)</u>
Net deferred tax asset / (liability)	<u>(21.011.456)</u>	<u>(20.653.741)</u>

	30 June 2015	31 December 2014
The balance sheet presentation of the deferred tax (assets) / liabilities :		
Deferred tax (assets)	6.065.920	6.727.412
Deferred tax liabilities	(27.077.376)	(27.381.153)
	<u>(21.011.456)</u>	<u>(20.653.741)</u>

(\*) The subsidiaries of the Group located in foreign countries have total TRY 10.687.363 carried forward tax losses (31 December 2014: TRY 10.178.011).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**21. INCOME TAXES (Continued)**

The movement of the net deferred tax liabilities is as follows:

Deferred tax (assets) / liabilities movement	1 January- 30 June 2015	1 January- 30 June 2014
Opening balance	20.653.741	21.738.786
Deferred tax (income)/expense	581.729	409.026
Other accounted under equity	(248.682)	270.561
Currency translation difference	24.668	(347.824)
Closing balance	<u>21.011.456</u>	<u>22.070.549</u>

  

Assets related to the current period taxes	30 June 2015	31 December 2014
Prepaid taxes and funds	<u>623.931</u>	<u>1.568.144</u>
	<u>623.931</u>	<u>1.568.144</u>

**22. EARNINGS PER SHARE**

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

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Number of shares	13.508.444.200	13.508.444.200	13.508.444.200	13.508.444.200
Profit attributable to equity holders of the parent – TRY	129.653.944	86.929.550	98.920.120	63.326.579
Dividend per share with nominal value of 1 Kr – TRY	0,0096	0,0064	0,0073	0,0047

**Dividend distributed per share:**

The dividend per share distributed in 2015 from 2014 profit is stated below:

Dividend amount distributed	174.529.099
Number of shares with nominal value of 1 Kr	13.508.444.200
Dividend per share (Kr)	<u>0,0129</u>

The dividend per share distributed in 2014 from 2013 profit is stated below:

Dividend amount distributed	155.887.446
Number of shares with nominal value of 1 Kr	13.508.444.200
Dividend per share (Kr)	<u>0,0115</u>

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**23. 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 Group is controlled by Hacı Ömer Sabancı Holding A.Ş. For the consolidated financial statements, shareholder companies and financial assets of Hacı Ömer Sabancı Holding A.Ş. and their associates and subsidiaries and also other companies of Sabancı Group are presented separately and these companies and top management of the Group are referred to as related parties. The Group has various transactions with related parties. The related party balances as of 30 June 2015 and 31 December 2014 and the related party transactions for the interim periods ended 30 June 2015 and 30 June 2014 are mainly as follows:

**Trade receivables from related parties (short term)**

	30 June 2015	31 December 2014
Akçansa Çimento Sanayi ve Ticaret A.Ş. <sup>(3)</sup>	459.354	782.614
	<u>459.354</u>	<u>782.614</u>

**Other receivables from related parties (short term)**

	30 June 2015	31 December 2014
Aksigorta A.Ş. <sup>(2)</sup>	-	113.967
	-	113.967

**Trade payables to related parties (short term)**

	30 June 2015	31 December 2014
Enerjisa Enerji A.Ş. <sup>(3)(*)</sup>	6.610.346	7.747.683
	<u>6.610.346</u>	<u>7.747.683</u>

(\*) TRY 6.243.527 is trade payable to Enerjisa Elk. Enrj. Toptan Satış A.Ş., TRY 366.819 is trade payable to Enerjisa Elektrik Perakende Satış A.Ş.. (31 December 2014: TRY 7.564.803 Enerjisa Elk. Enrj.Toptan Satış A.Ş., TRY 176.805 Enerjisa Elektrik Perakende Satış A.Ş., TRY 6.075 Enerjisa Enerji Üretim A.Ş.)

**Other payables to related parties (short term)**

	30 June 2015	31 December 2014
Bimsa Uluslararası İş Bilgi ve Yön. Sistemleri A.Ş. <sup>(2)</sup>	29.500	1.650.015
Aksigorta A.Ş. <sup>(3)</sup>	87.990	-
Avivasa Emeklilik ve Hayat A.Ş. <sup>(3)</sup>	-	31.550
Other	-	38.428
	<u>117.490</u>	<u>1.719.993</u>

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**23. RELATED PARTY DISCLOSURES (Continued)**

**Bank balances deposited in related parties**

	30 June 2015	31 December 2014
Akbank T.A.Ş. <sup>(2)</sup>	191.730.450	28.236.917
	<u>191.730.450</u>	<u>28.236.917</u>

**Borrowings from related parties**

	30 June 2015	31 December 2014
Bank loans from Akbank T.A.Ş. <sup>(2)</sup>	101.458.443	22.439.834
	<u>101.458.443</u>	<u>22.439.834</u>

**Sales to related parties**

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Akçansa Çimento Sanayi ve Ticaret A.Ş. <sup>(3)</sup>	452.935	386.792	31.325	-
Aksigorta A.Ş. <sup>(3)</sup>	-	-	125.433	27.003
Enerjisa Enerji A.Ş. <sup>(3) (*)</sup>	65.432	59.836	68.613	525
Other	-	-	21.500	1.946
	<u>518.366</u>	<u>446.628</u>	<u>246.871</u>	<u>29.474</u>

(\*) TRY 65.432 is sales amount to Enerjisa Enerji Üretim A.Ş. (30 June 2014: TRY 35.272 Enerjisa Enerji Üretim A.Ş., TRY 33.341 Enerjisa Elk. Enrj.Toptan Satış A.Ş.).

**Purchases and services received from related parties**

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Enerjisa Enerji A.Ş. <sup>(3) (*)</sup>	36.711.384	24.263.677	50.341.382	26.292.500
Aksigorta A.Ş. <sup>(3)</sup>	3.840.042	95.947	4.836.031	73.575
Bimsa Uluslararası İş Bilgi ve Yön. Sistemleri A.Ş. <sup>(2)</sup>	1.450.100	503.611	1.179.145	417.422
Avivasa Emeklilik ve Hayat A.Ş. <sup>(3)</sup>	226.137	36.798	240.923	71.071
Akçansa Çimento Sanayi ve Ticaret A.Ş. <sup>(3)</sup>	743.842	558.564	619.753	401.838
Hacı Ömer Sabancı Holding. A.Ş. <sup>(1)</sup>	154.510	4.510	26.549	26.549
Other	-	-	177.371	73.556
	<u>43.126.016</u>	<u>25.463.106</u>	<u>57.421.154</u>	<u>27.356.511</u>

(\*)TRY 35.181.997 is the purchase amount from Enerjisa Elk. Enrj.Toptan Satış A.Ş. and TRY 1.529.387 from Enerjisa Elektrik Perakende Satış A.Ş.. (30 June 2014: TRY 49.190.301 Enerjisa Elk. Enrj.Toptan Satış A.Ş., TRY 1.088.667 Enerjisa Elektrik Perakende Satış A.Ş., TRY 62.414 Enerjisa Enerji Üretim A.Ş.)

The Group purchases goods from Akçansa Çimento Sanayi ve Ticaret A.Ş. and Enerjisa Enerji A.Ş. and receives services from other related parties.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**23. RELATED PARTY DISCLOSURES (Continued)**

**Interest income from related parties**

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Akbank T.A.Ş. <sup>(2)</sup>	1.408.017	1.196.304	652.003	95.879
	<u>1.408.017</u>	<u>1.196.304</u>	<u>652.003</u>	<u>95.879</u>

**Interest expense from related parties**

	1 January- 30 June 2015	1 April- 30 June 2015	1 January- 30 June 2014	1 April- 30 June 2014
Akbank T.A.Ş. <sup>(2)</sup>	(2.539.199)	(1.923.304)	(4.227.420)	(3.168.650)
	<u>(2.539.199)</u>	<u>(1.923.304)</u>	<u>(4.227.420)</u>	<u>(3.168.650)</u>

(1) Parent company

(2) Subsidiary of the parent company; Hacı Ömer Sabancı Holding A.Ş.

(3) Joint venture of the parent company; Hacı Ömer Sabancı Holding A.Ş.

**Compensation benefits to the top management**

Total amount of compensation benefits paid to the Chairman and the members of the Board of Directors, general manager, general coordinator and deputy general managers, is TRY 4.504.906 (30 June 2014 – TRY 3.953.166). The salaries paid are TRY 4.335.275 (30 June 2014 – TRY 3.486.678 TRY and contributions paid to Social Security Institution are TRY 169.631 (30 June 2014 – TRY 466.488).

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish)

## ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

#### 24. FOREIGN CURRENCY RISK

As of 30 June 2015 and 31 December 2014, the Group’s foreign currency position in terms of the original currency is as follows:

	30 June 2015				31 December 2014			
	TRY Equivalent (Functional Currency)	USD (Original Currency)	EUR (Original Currency)	GBP (Original Currency)	TRY Equivalent (Functional Currency)	USD (Original Currency)	EUR (Original Currency)	GBP (Original Currency)
Trade receivables	124.259.011	24.818.336	19.311.084	-	86.421.181	15.819.507	17.630.933	1.600
Monetary financial assets	17.939.542	1.654.013	4.523.802	1.302	15.916.418	1.271.689	4.574.295	18.015
<b>Current Assets</b>	<b>142.198.553</b>	<b>26.472.349</b>	<b>23.834.886</b>	<b>1.302</b>	<b>102.337.599</b>	<b>17.091.196</b>	<b>22.205.228</b>	<b>19.615</b>
<b>TOTAL ASSET</b>	<b>142.198.553</b>	<b>26.472.349</b>	<b>23.834.886</b>	<b>1.302</b>	<b>102.337.599</b>	<b>17.091.196</b>	<b>22.205.228</b>	<b>19.615</b>
Trade payables	21.738.952	7.020.427	965.723	-	20.874.014	7.080.034	1.579.793	-
Financial liabilities	80.246.700	11.000.000	17.000.000	-	61.865.300	6.000.000	17.000.000	-
<b>Short Term Liabilities</b>	<b>101.985.652</b>	<b>18.020.427</b>	<b>17.965.723</b>	<b>-</b>	<b>82.739.314</b>	<b>13.080.034</b>	<b>18.579.793</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>101.985.652</b>	<b>18.020.427</b>	<b>17.965.723</b>	<b>-</b>	<b>82.739.314</b>	<b>13.080.034</b>	<b>18.579.793</b>	<b>-</b>
<b>Off balance sheet derivative financial instruments net asset/liability position</b>	<b>(46.113.392)</b>	<b>(8.840.000)</b>	<b>(7.500.000)</b>	<b>-</b>	<b>(17.809.152)</b>	<b>(7.680.000)</b>	<b>-</b>	<b>-</b>
Off-balance Sheet derivative assets denominated in foreign currencies	(46.113.392)	(8.840.000)	(7.500.000)	-	(17.809.152)	(7.680.000)	-	-
<b>Net foreign currency asset / liability position</b>	<b>(5.900.491)</b>	<b>(388.078)</b>	<b>(1.630.837)</b>	<b>1.302</b>	<b>1.789.133</b>	<b>(3.668.838)</b>	<b>3.625.435</b>	<b>19.615</b>
<b>Net foreign currency asset / liability position for monetary items</b>	<b>40.212.901</b>	<b>8.451.922</b>	<b>5.869.163</b>	<b>1.302</b>	<b>19.598.258</b>	<b>4.011.162</b>	<b>3.625.435</b>	<b>19.615</b>
Total fair value of derivative financial instruments used as foreign currency hedge	(579.468)	-	-	-	(336.458)	-	-	-
Export	166.108.647	37.983.439	20.333.721	815.721	226.141.609	52.078.743	35.389.163	1.544.451
Import	58.955.759	18.904.900	2.740.100	-	121.259.699	49.015.300	2.693.700	-

(\*)As the national currencies of the Group’s foreign subsidiaries are not assessed as the foreign currency risk, they are not included in the foreign currency position.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**24. FOREIGN CURRENCY RISK (Continued)**

Foreign currency risk occurs due to the Group's assets and liabilities which are denominated mostly in USD, EUR and GBP.

The information below shows the Group's sensitivity to a 10% (+ / -) change in USD, EUR and GBP. 10% is the sensitivity rate which represents the top management's assessment of the possible change in foreign exchange rates. Sensitivity analyses contains only foreign currency denominated monetary items in period and shows the effect of 10% foreign exchange change on these items. Positive balances show increase in profit/loss and other equity items.

	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
30 June 2015				
1- USD net assets / liabilities	2.270.440	(2.270.440)	2.270.440	(2.270.440)
2- Hedged portion of USD risk (-)	(1.031.539)	1.031.539	(2.374.689)	2.374.689
3- USD net effect (1+2)	1.238.901	(1.238.901)	(104.249)	104.249
4- Net EUR assets/liabilities	1.750.302	(1.750.302)	1.750.302	(1.750.302)
5- Hedged portion of EUR risk (-)	-	-	(2.236.650)	2.236.650
6- EUR net effect (4+5)	1.750.302	(1.750.302)	(486.348)	486.348
7- Net GBP assets/liabilities	548	(548)	548	(548)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	548	(548)	548	(548)
<b>TOTAL (3+6+9)</b>	<b>2.989.751</b>	<b>(2.989.751)</b>	<b>(590.049)</b>	<b>590.049</b>

	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
31 December 2014				
1- USD net assets / liabilities	930.148	(930.148)	930.148	(930.148)
2- Hedged portion of USD risk (-)	(930.148)	930.148	(930.148)	930.148
3- USD net effect (1+2)	-	-	-	-
4- Net EUR assets/liabilities	1.022.626	(1.022.626)	1.022.626	(1.022.626)
5- Hedged portion of EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	1.022.626	(1.022.626)	1.022.626	(1.022.626)
7- Net GBP assets/liabilities	7.054	(7.054)	7.054	(7.054)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	7.054	(7.054)	7.054	(7.054)
<b>TOTAL (3+6+9)</b>	<b>1.029.680</b>	<b>(1.029.680)</b>	<b>1.029.680</b>	<b>(1.029.680)</b>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

**25. REPORTING IN HYPERINFLATION ECONOMY**

In accordance with the CMB's resolution dated 17 March 2005 and numbered 11/367, the financial statements were restated in accordance with Turkish Accounting Standards (TAS) 29 (Financial Reporting in Hyperinflationary Economies) for the last time as of 31 December 2004, since the objective conditions which require the application of restatement of financial statements have not been realized and that based on the existing data CMB has foreseen that the indications whether such conditions are going to be realized in the future is no longer probable. Therefore, non-monetary assets, liabilities and equity items including the share capital as of 30 September 2014 and 31 December 2013 have been restated by applying the relevant conversion factors through 31 December 2004 and carrying additions after 31 December 2004 at their nominal values.

**26. DERIVATIVE FINANCIAL INSTRUMENTS**

	30 June 2015	31 December 2014
Derivative financial instruments at fair value designated through income/expense	(271.087)	336.458
Total	(271.087)	336.458
Derivative financial instruments at fair value designated through other comprehensive income/expense	850.555	-
Total	850.555	-
Total financial instruments	579.468	336.458

**27. SUBSEQUENT EVENTS**

The pre-emption rights related to increase capital of Afyon Çimento T.A.Ş. to TRY 100.000.000 have been used between the dates of 22 June and 6 July 2015, and a part of capital increase amounting TRY 4.725.000 has been completed as of 30 June 2015. The transactions related to unused pre-emption rights have been performed between 7 July and 9 July 2015. The capital increase transactions have been completed and registration process has started. As of 24 July 2015, registration process has been finalized.