Çimsa Cement Industry and Trade Inc. and Subsidiaries

Consolidated financial tables from December 31, 2009 and independent audit report

Çimsa Cement Industry and Trade Inc. and Subsidiaries

Contents

Independent audit report

To Çimsa Cement Industry and Trade Inc. and Subsidiaries
Partners;

We examined the consolidated financial tables of Çimsa Cement Industry and Trade Inc. (hereinafter referred to as Çimsa) and Subsidiaries (hereinafter referred together as "Company"), consisting of consolidated balance sheet from the 31st of December 2009, consolidated revenue, consolidated comprehensive revenue, equity capital change and cash flow tables for the period ended on the same date, the summary of significant accounting policies and notes in the attachment. The financial tables of Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (included in consolidation by equity method) comprising approximately 27% of the actives and approximately 4% of the net profit in the consolidated financial tables and 100% of the growth funds accounted for in the equity capital were audited by another independent auditing company. With regard to the amounts related to Exsa that are entered in the consolidated financial tables, our auditing report regarding consolidated financial tables is based entirely on the auditing report provided by the other independent auditing company.

The responsibility of the enterprise management regarding financial tables

The enterprise management is responsible for preparation of the financial tables in accordance with the financial reporting standards published by the Capital Market Board and for their honest presentation. This responsibility includes design, implementation and maintenance of internal control system in order to provide an honest presentation of the financial tables prepared without any significant mistakes due to errors or manipulations and irregularities. Accounting estimates are required by the circumstances and preference of appropriate accounting policies.

The responsibility of the independent auditing organization

Our responsibility is to provide opinion regarding these financial tables based on our audit and the report of the independent auditing company mentioned above. We conducted the audit in accordance with the regulations on independent auditing standards published by the Capital Market Board. These standards require compliance with ethical principles and conduct of the independent audit planned in order to provide reasonable assurance on whether the financial tables reflect the truth accurately and honestly.

Independent audit includes use of independent audit techniques for the purpose of gathering independent audit evidence regarding amounts in the financial tables and notes. The preference of independent audit techniques has been made in accordance with our professional opinion so as to include the risk assessment of whether the financial tables contains any significant mistakes including the subject of whether these mistakes are due to errors and/or manipulation and irregularities in the financial tables. During this risk assessment, the internal control system of the enterprise was taken into account. However, our purpose is not to provide opinion regarding the efficiency of the internal control system, but to reveal the relationship between the financial tables prepared by the enterprise management and the internal control system, in order to design the independent audit techniques according to the circumstances. Our independent audit also includes accounting policies adopted by the enterprise management and the evaluation of eligibility of the significant accounting estimates and the presentation of financial tables as a whole.

We believe that the independent audit evidence obtained during independent audit and the report of the other independent auditor mentioned above are sufficient and comprise appropriate basis for establishment of our opinion.

Opinion

According to our opinion and the report of the other independent auditing company, the attached financial tables accurately and honestly reflect the real financial status and the financial performance and cash flows for the accounting period ended on the same date, of Çimsa Cement Industry and Trade Inc. and Subsidiaries as from the 31st of December 2009 in accordance with the financial reporting standards published by the Capital Market Board.

Other points

As it is detailed in Note 2, Exsa management reformulated its results for 2008 and 2007 and the record of these corrections was reflected in the financial tables of the Group for the 31st of December 2008.

Güney Independent Auditing and Public Accountancy and Financial Councillorship Inc.
A member firm of Ernst&Young Global Limited

Zeynep Okuyan Gökyılmaz, SMMM
Responsible Partner, Chief Auditor

17th of March 2010
Istanbul, Turkey

Çimsa Cement Industry and Trade Inc. and Subsidiaries

Consolidated balance sheet from the 31st of December 2009
(Currency - Turkish Lira)

		Current period	Previous period	Previous period
		Independently audited	(Reformulated Note 2) Independently audited	(Reformulated Note 2) Independently audited
Assets	**Note references**	**31 December 2009**	31 December 2008	31 December 2007
Liquid assets		**285.034.872**	288.677.961	268.317.076
Cash and cash equivalents	6	**51.088.881**	9.599.891	56.106.226
Commercial receivables				
-Commercial receivables from related parties	28	**254.366**	2.161.910	3.132.630
-Other commercial receivables	9-a	**103.137.815**	115.478.699	84.778.910
Other receivables	10-a	**1.594.814**	1.006.169	475.247
Stocks	11	**63.393.847**	105.722.673	88.769.217
Other liquid assets	18-a	**65.565.149**	54.708.619	35.054.846
Fixed assets		**914.706.515**	802.922.852	869.587.783
Other receivables	10-a	**768.485**	686.465	502.351
Financial investments ready for sale	7	**73.736**	73.736	73.736
Investments valued by equity method	12	**320.074.928**	206.761.505	295.812.318
Tangible fixed assets	13	**436.402.767**	436.650.680	416.146.157
Intangible fixed assets	14	**18.652.621**	19.252.155	20.396.240
Betterment	15	**136.710.208**	136.711.415	132.353.859
Other fixed assets	18-a	**2.023.770**	2.786.896	4.303.122
Total assets		**1.199.741.387**	1.091.600.813	1.137.904.859

Explanatory policies and notes on pages between 9 and 62 are supplementary parts of these consolidated financial tables.

Çimsa Cement Industry and Trade Inc. and Subsidiaries

Consolidated balance sheet from the 31st of December 2009
(Currency - Turkish Lira)

Resources	Note references	**Current period** **Independently audited** **31 December 2009**	Previous period (Reformulated Note 2) Independently Audited 31 December 2008	Previous period (Reformulated Note 2) Independently audited 31 December 2007
Short term obligations		**231.500.036**	277.638.266	149.428.322
Financial debts	8	**106.389.488**	186.335.204	66.088.648
Commercial debts				
- Commercial debts to related parties	28	**949.549**	101.320	3.239.580
- Other commercial debts	9-b	**45.553.655**	41.067.166	43.517.851
Other debts	10-b	**5.241.306**	6.046.721	4.217.951
Current profit tax obligation	26	**5.059.970**	131.185	817.818
Debt provisions	16	**3.361.314**	2.886.942	1.659.529
Other short term obligations	18-b	**64.944.754**	41.069.728	29.886.945
Long term obligations		**36.140.583**	48.474.216	55.673.907
Financial debts	8	**6.267.047**	24.267.245	31.489.376
Debt provisions	16	**1.847.483**	1.502.444	2.311.530
Provisions for benefits provided for personnel	17	**8.253.674**	7.250.428	6.632.388
Postponed tax obligation	26	**19.596.795**	15.296.474	15.240.613
Other long term obligations		**175.584**	157.625	-
Equity capital		**932.100.768**	765.488.331	932.802.630
Equity capital of the parent company				
Paid capital	19	**135.084.442**	**135.084.442**	135.084.442
Inflation adjustments on equity capital	19	**41.741.516**	**41.741.516**	41.741.516
Share premium		**30.131**	**30.131**	30.131
Growth funds	19	**66.613.728**	(50.170.239)	47.666.858
Foreign currency conversion adjustments		**(158.613)**	140.434	(416.147)
Restricted reserves separated from profit	19	**81.913.480**	76.805.376	62.486.425
Accumulated profits	19	**498.726.307**	485.352.557	356.228.125
Net profit for the period		**108.132.777**	76.504.114	289.981.280
Total resources		**1.199.741.387**	1.091.600.813	1.137.904.859

Explanatory policies and notes on pages between 9 and 62 are supplementary parts of these consolidated financial tables.

Çimsa Cement Industry and Trade Inc. and Subsidiaries

Consolidated revenue table for accounting period ended on the 31st of December 2009
(Currency – Turkish Lira, unless specified otherwise)

	Note References	Current period Independently Audited 1 January - 31 December 2009	Previous period (Reformulated Note 2) Independently Audited 1 January - 31 December 2008
Continued operations			
Sale revenues	20	**614.924.831**	610.473.254
Sale costs (-)	20	**(433.725.048)**	(450.709.478)
Gross profit from commercial activities		**181.199.783**	159.763.776
Marketing, sale and distribution expenses (-)	21	**(5.820.137)**	(8.198.826)
General management expenses (-)	21	**(29.788.200)**	(25.996.019)
Research and development expenses	22	**(184.883)**	-
Other activity revenues	24	**13.359.157**	11.505.841
Other activity expenses (-)	24	**(20.179.836)**	(15.542.155)
Activity profit		**138.585.884**	121.532.617
Profit/loss shares of investments valued by equity method	12	**4.222.209**	8.786.284
Financial revenues (+)	25	**48.768.229**	52.933.440
Financial expenses (-)	25	**(58.340.645)**	(91.035.237)
Continued operations profit before taxation		**133.235.677**	92.217.104
Continued operations tax revenue/(expense)			
- Current tax expense	26	**(20.802.579)**	(15.657.129)
- Postponed tax expense/(revenue)	26	**(4.300.321)**	(55.861)
Continued operations current profit		**108.132.777**	76.504.114
Current profit		**108.132.777**	76.504.114
Continued operations earnings per share	27	**0,0080**	0,0057

Explanatory policies and notes on pages between 9 and 62 are supplementary parts of these consolidated financial tables.

Çimsa Cement Industry and Trade Inc. and Subsidiaries

Consolidated revenue table for accounting period ended on the 31st of December 2009
(Currency – Turkish Lira, unless specified otherwise)

	Note References	Current period Independently Audited 1 January - 31 December 2009	Previous period (Reformulated Note 2) Independently audited 1 January - 31 December 2008
Current profit		**108.132.777**	76.504.114
Other comprehensive revenue:			
Shares from other comprehensive revenues of partnerships valued by equity method – effect of value increase/(decrease) funds after postponed tax	19	**116.783.967**	(97.837.097)
Foreign currency conversion adjustments		**(299.047)**	556.581
Other comprehensive revenue / (expense)		**116.484.920**	(97.280.516)
Total comprehensive revenue / (expense)		**224.617.697**	(20.776.402)
Distribution of total comprehensive revenue			
Parent company shares		**224.617.697**	(20.776.402)

Explanatory policies and notes on pages between 9 and 62 are supplementary parts of these consolidated financial tables.

Çimsa Cement Industry and Trade Inc. and Subsidiaries

Consolidated equity capital change table for accounting period ended on the 31st of December 2009

(Currency - Turkish Lira)

	Paid Capital	Inflation adjustments on equity capital	Share premium	Growth funds	Foreign currency conversion adjustments	Restricted reserves separated from profit	Accumulated profit	Net current profit	Total Equity capital
1 January 2009 balance	**135.084.442**	**41.741.516**	**30.131**	**(50.170.239)**	**140.434**	**76.805.376**	**485.352.557**	**76.504.114**	**765.488.331**
Transfers	**-**	**-**	**-**	**-**	**-**	**5.125.104**	**13.373.750**	**(18.498.854)**	**-**
Paid dividends (Note 27)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(58.005.260)**	**(58.005.260)**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**108.132.777**	**108.132.777**
Other comprehensive profit	**-**	**-**	**-**	**116.783.967**	**(299.047)**	**-**	**-**	**-**	**116.484.920**
Total comprehensive revenue	**-**	**-**	**-**	**116.783.967**	**(299.047)**	**-**	**-**	**108.132.777**	**224.617.697**
31 December 2009 balance	**135.084.442**	**41.741.516**	**30.131**	**66.613.728**	**(158.613)**	**81.930.480**	**498.726.307**	**108.132.777**	**932.100.768**
1 January 2008 balance	**135.084.442**	**41.741.516**	**30.131**	**47.666.858**	**(416.147)**	**62.486.425**	**349.703.976**	**290.274.845**	**926.572.046**
Reformulation effect 2007 (Note 2)	**-**	**-**	**-**	**-**	**-**	**-**	**6.524.169**	**(293.565)**	**6.230.584**
1 January 2008 balance (reformulated)	**135.084.442**	**41.741.516**	**30.131**	**47.666.858**	**(416.147)**	**62.486.425**	**356.228.125**	**289.981.280**	**932.802.630**
Transfers	-	-	-	-	-	14.318.951	149.709.534	(164.028.485)	-
Paid Dividends (Note 27)	-	-	-	-	-	-	(23.990.936)	(125.952.795)	(149.943.731)
Effect of purchased subsidiary	-	-	-	-	-	-	3.405.834	-	3.405.834
Net profit for the period	-	-	-	-	-			76.504.114	76.504.114
Other comprehensive revenue	-	-	-	(97.837.097)	556.581	-	-	-	(97.280.516)
Total comprehensive revenue	-	-	-	(97.837.097)	556.581	-	-	76.504.114	(20.776.402)
31 December 2008 balance (reformulated)	**135.084.442**	**41.741.516**	**30.131**	**(50.170.239)**	**140.434**	**76.805.376**	**485.352.557**	**76.504.114**	**765.488.331**

Explanatory policies and notes on pages between 9 and 62 are supplementary parts of these consolidated financial tables.

Çimsa Cement Industry and Trade Inc. and Subsidiaries

Consolidated cash flow table for accounting period ended on the 31st of December 2009

(Currency –Turkish Lira, unless specified otherwise)

	Notes	Current period Independently audited 31 December 2009	Previous period (Reformulated) Independently audited) 31 December 2008
Cash inputs provided from business activities			
Continued operations profit before tax provision		**133.235.677**	92.217.104
Conformity between net profit and cash provided from business activities:			
Depreciation and redemptions	23	**30.693.350**	50.201.703
Tangible fixed asset sale loss of continued operations	24	**66.329**	(503.462)
Severance payment provision	17	**1.897.977**	2.376.107
Severance incentive premium provision, net	16	**180.302**	(1.445.086)
Vacation payment provision	16	**266.590**	372.886
Interest expense from credits	25	**9.984.579**	9.392.933
Interest revenue	25	**(1.583.455)**	(2.997.865)
Profit/loss share of investment valued by equity method	12	**(4.222.209)**	(8.786.284)
Lawsuit provisions	16	**1.222.867**	1.241.372
Mine site rehabilitation expense provision	16	**361.210**	636.000
Other provisions	16	**(123.312)**	118.654
Decrease in stock value	11	**1.111.219**	-
Fixed asset depreciation provision	13	**668.029**	-
Unrealized exchange difference expenses		**476.186**	3.064.286
Activity profit before changes in operation capital		**174.235.339**	145.888.348
Change in net operation capital			
Commercial receivables and receivables from related parties		**13.577.763**	(18.534.725)
Stocks		**41.217.607**	(15.250.448)
Other assets and other obligations		**13.799.581**	(1.637.385)
Commercial debts and debts to related parties		**4.529.303**	(13.124.514)
Paid severance payment	17	**(894.731)**	(1.758.067)
Revenue tax payments		**(15.982.370)**	(21.183.583)
Paid lawsuit, vacation and severance incentive	16	**(1.088.246)**	(505.499)
Net cash obtained from business activities		**229.394.246**	73.894.127
Cash flows due to investment activities:			
Tangible fixed asset purchases		**(24.198.408)**	(46.154.374)
Intangible fixed asset purchases	14	**(645.222)**	-
Tangible fixed asset sale remittance		**1.049.471**	1.666.267
Net cash output due to subsidiary purchase		**-**	(2.071.980)
Cash output due to Ready-mixed Concrete	5	**-**	(22.817.025)
Applied interest		**1.526.556**	2.997.865
Net cash used in investment activities		**(22.267.603)**	(66.379.247)
Cash flows due to financing activities			
Dividend payments		**(58.005.260)**	(149.943.731)
Cash obtained from received credits		**105.018.160**	161.033.671
Paid credits		**(211.972.286)**	(56.767.534)
Interest payments		**(8.074.791)**	(8.060.359)
Cash obtained from dividend payments		**7.692.750**	-
Net cash used in financing activities		**(165.341.427)**	(53.737.953)
Conversion adjustments on cash and cash equivalents assets		**(296.226)**	(283.262)
Net (decrease)/increase in cash and cash equivalent assets		**41.488.990**	(46.506.335)
Cash and cash equivalent assets from the beginning of the period	6	**9.599.891**	56.106.226
Period-end cash and similar assets	6	**51.088.881**	9.599.891

Explanatory policies and notes on pages between 9 and 62 are supplementary parts of these consolidated financial tables.

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

1. Company organization and activity subject

General

Çimsa Cement Industry and Trade Inc. (hereinafter referred to as Çimsa or Company) was registered on December 16th, 1972 and established after being announced in the Turkish Trade Registry Gazette № 4729 dated the 21st of December 1972. The activity subject of the Company consists of the production and sale of cement, clinker and ready-mixed concrete products. The company's final shareholder is Hacı Ömer Sabancı Holding Inc. (hereinafter referred to as Sabancı Holding).

Çimsa's headquarters and registered business address is Toroslar Mah. Tekke Cad. Yenitaşkent 33013, Mersin.

A certain amount of Company shares is traded on the Istanbul Stock Exchange Market.

Subsidiaries and partnerships subject to joint management

The Company's subsidiaries and the information regarding these subsidiaries as from the 31st of December 2009 and the 31st of December 2007are provided below:

				Company's effective share rate	
	Date of establishment	Establishment and activity places	Activity subjects	**2009**	2008
Çimsa Cement Free-Zone Limited (Çimsa Cement) (*)	12 October 2005	YTNC	Cement packaging sale and marketing	**99.99%**	99.99%
CIMSAROM Marketing Distributie S.R.L. (Çimsarom)(*)	8 February 2006	Romania	Cement packaging, sale and marketing	**99.99%**	99.99%
Çimsa Cementos Espana, S.A.U. (Cementos Espana, formerly Exportaciones Sabancı S.A.U.)(*)	7 July 2006	Spain	Sale of poured and bagged cement to white cement market	**99.99%**	99.99%
Cement Sales North Gmbh (CSN)(**)	27 June 2006	Germany	White cement marketing	**50%**	50%
Çimsa Mersin Free Zone Branch (*)	12 December 2007	Mersin	Cement export	**99.99%**	99.99%
Regent Place Limited (Regent)(*)	21 May 2008	British Virgin Islands	Financial investment and holding company	**99.99%**	99.99%
OOO Çimsa Rus CTK (OOO Russia)(*)	16 July 2008	Russia	White cement packaging, sale and marketing	**99.99%**	99.99%

(*) Accounted for applying full consolidation method.
(**) Accounted for applying proportionate consolidation method.

Çimsa's Mersin Free Zone Branch was established on the 12th of December 2007 and started its operations in 2008.

On the 21st of May 2008, Çimsa Cementos purchased the entire Regent Place Limited (hereinafter referred to as Regent) company which is established on the British Virgin Islands and which provides poured and bagged cement to the cement market in the Middle East, from another Sabancı Holding group company, the Universal Trading (Jersey) Limited, for 1.760.000 Euro. Regent's financial tables were consolidated with the financial tables of Çimsa Cementos after the purchase date.

The establishment procedures of the OOO CIMSA-RUS CTK (hereinafter referred to as OOO Russia) company for the purpose of making a terminal at the Novorossiysk port in the Krasnodar region of the Russian Federation were completed as of the 16th of July 2008. OOO Russia's financial tables began to be consolidated as from its establishment date.

As from the 30th of June 2009, the Group finalized procedures for the determination of realistic value of all assets and obligations regarding the purchase of Bilecik Ready-mixed Concrete and the resulting final values were reflected in the Group's records

1. Company organization and activity subject (continued)

Also, Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. (Exsa) was included in consolidation by equity method.

For the purpose of presenting the consolidated financial tables, Çimsa, its subsidiaries and the partnerships subject to joint management shall all together be referred to as "Group".

Activity subject

The Group conducts activities in the production and sale of cement, clinker and ready-mixed concrete.

Consolidated financial tables were approved for publication by the Çimsa Board of Directors on the 17th of March 2008. The General Assembly and certain regulatory boards shall be entitled to change the issued consolidated financial tables according to the legislation.

As of the 31st of December 2009 the Group's average number of blue collar personnel is 545 (31st of December 2008 – 540) and the average number of white collar is 438 (31st of December 2008 – 421).

2. Principles regarding presentation of the financial tables

2.1 Basic principles regarding the presentation

Group prepares the consolidated financial tables in accordance with the accounting and reporting principles (CMB Accounting Standards) published by the Capital Markets Board.

According to CMB's Series: XI, No: 29 "Communiqué regarding financial reporting in capital market" (Communiqué) enforced after publication in the Official Gazette on the 9th of April 2008, beginning from January 1st, 2008 all public enterprises shall prepare their consolidated financial tables according to International Accounting/Financial Reporting (UMS/UFRS) standards accepted by the European Union (hereinafter referred to as CMB Accounting Standards). Çimsa keeps its accounting records and legal financial tables in Turkish Liras (TL) according to the requirements of the Capital Market Board, commercial legislation and financial legislation valid in Turkey and the Single Order Account Plan (THP) published by the Turkish Ministry of Finances. Subsidiaries established outside of Turkey keep and prepare their accounting records and financial tables according to the corporate laws and tax legislation of the countries of establishment. Consolidated financial tables are based on the Group's legal records and expressed in Turkish Lira currency and are prepared according to CMB Accounting Standards. The consolidated financial tables are subject to certain correction and classification changes in order to properly submit Group's status. The correction records consist primarily of consolidation accounting, betterment calculation, postponed tax calculation, discount of the receivables and debts, severance payment and provision calculations.

The financial tables and notes were prepared and presented according to the compulsory formats determined in the Communiqué № XI-29 published by CMB on the 9th of April 2008.

Consolidated financial tables (with the exception of financial assets valued by equity method) have been prepared according to historical cost principle.

2. Principles regarding presentation of the Financial tables (continued)

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

CMB, with decision made on the 17th of March 2005, has announced that as of January 1st, 2005, inflation accounting application is not necessary for companies that operate in Turkey and prepare their financial tables in accordance with CMB accounting standards. Consequently, the equity capital items, including non-pecuniary actives and passives and capital indicated in the balance sheets from the 31st of December 2009 and the 31st of December 2008 were calculated by indexing the inputs before the 31st of December 2007 until the 31st of December 2004 and by carrying the inputs occurring after that date in terms of their nominal value.

Classifications made in 2008 financial tables

Certain classification changes have been made in the consolidated cash flow tables prepared from the 31st of December 2008. As a result of these changes;

3.064.286 TL of unrealized exchange difference expense shown in the cash flows from financing activities was classified under net cash provided from business activities as the item of conformity between net profit and cash provided from business activities.

Functional and reporting currency

The functional and reporting currency of the Company as from the 31st of December 2009 is TL.

Çimsa Cement's functional currency is US Dollars, while the functional currency of CSN, Cementos Espana and Regent is Euro, the functional currency of Çimsarom is New Romanian Ley and the functional currency of OOO Russia is Ruble. According to UMS 21, balance sheet items are converted into TL according to the exchange rate on the date of the balance sheet; revenue and expenses are converted into TL according to the period's average exchange rate and consolidated financial tables are presented in TL. The conversion profit/loss due to these conversions is indicated in the "Foreign currency conversion adjustments" account under the equity capital.

Reformulation of accumulated financial tables

The study regarding the separation of the value of the buildings and lands classified under tangible fixed assets and investment properties by Exsa that were accounted for within 2009 according to the method of shares from equity capital was conducted and with regard to this study, Exsa management reformulated its financial tables for 2008 and 2007. These reformulated financial tables are presented in the attachment of the 2009 audit report of the independent auditing company that audited Exsa. The effect of the reformulation in question on the financial tables of the Group is as follows:

	31 December 2008 Reformulated	**31 December 2008 Reported**
Investments valued by equity method	206.761.505	200.181.614
Accumulated profits	485.352.557	479.121.973
Net current profit	76.504.114	76.154.807
	31 December 2007 Reformulated	**31 December Reported**
Investments valued by equity method	295.812.318	289.581.734
Accumulated profits	356.228.125	349.703.976
Net current profit	289.981.280	290.274.845

2. Principles regarding presentation of the Financial tables (continued)

UMS 1 (as amended in 2008) requires that in the event of retrospective reformulation of the financial tables of an enterprise, the opening balance sheet of the earliest period comparatively presented must be reformulated and submitted. Consequently, the Group also submitted the opening balance sheet from the 1st of January 2008 reflecting the effects of the reformulations explained above.

2.2 Amendments in accounting policies

New standards and interpretations

The accounting policies, according to which the financial tables from the 31st of December 2009 were prepared, were implemented in consistency with the consolidated financial tables prepared as from the 31st of December 2008 with the exception of the new standards and the interpretations of International Financial Reporting Interpretations Committee (UFRYK) summarized below. Whether the standards and interpretations in question have any impact on the Group's performance and financial status is indicated in the relevant paragraphs.

New standards, amendments and interpretations enforced for the financial tables as from the 31st of December 2009

- UFRS 2, "Share based payment (Amendment) – Right Acquisition Conditions and Cancellations

The purpose of the amendment in UFRS 2 is to provide a more detailed explanation regarding right acquisition conditions and cancellations. The standard clarifies two subjects: definition of "Right Acquisition Conditions" and the concept of "Haketmeme Conditions" for conditions other than performance and service conditions. The amendment does not have any impact on the Group's financial performance.

- UFRS 7 "Financial Instruments" – Amendments in the Notes

The amended standard makes the additional explanations regarding the realistic value measurement and liquidity risk necessary. Realistic value measurements for each financial instrument class must be explained according to the source of the inputs using three-leveled hierarchy. In addition to that, the conformity between opening and closing balances for the third level realistic value measurements and the significant transfers between the first and the second level realistic value measurements must be explained. The amendments also clarify the requirements regarding the liquidity risk explanations. Since the Group does not have financial assets reflected in terms of realistic value and since the additional explanations regarding liquidity risk do not apply for the Group, the amendment does not have any impact on the financial table explanations of the Group.

- UFRS 8 "Activity sections"

UFRS 8 replaces UMS 14 'Reporting According to Sections' and brings management point of view method to sectional reporting. Reported information evaluates the performance of the management activity sections and includes information used for decision regarding resource distribution. This information may be different from the information reflected in the balance sheet and revenues' table and in such case, the enterprises must provide additional information and indicate the agreement of differences. The Group decided that the activity sections determined according to UFRS 8 are identical to those determined earlier according to UMS 14. Since the information used by the Group in the management reporting is consistent with the information disclosed in the consolidated balance sheet and consolidated revenue table, there is no need for conformity between the consolidated balance sheet and revenue table and the attached note regarding reporting according to sections. The explanations required in accordance with UFRS 8 are provided in Note 3 and Note 20.

2. Principles regarding presentation of the financial tables (continued)

- UMS 1, "Presentation of Financial Tables" (Amendment) (valid for accounting periods beginning on or after the 1st of January 2009).

According to the amendment in this standard, the equity capital change table includes only transactions made with the shareholders. The equity capital changes other than transactions made with shareholders are presented in a single row under the equity capital, and a separate table for details regarding this is prepared. A new Comprehensive Revenue Table including all revenue and expense accounts in the revenue table and the "other comprehensive revenue" is created. The enterprises may prefer to prepare and present a single "Comprehensive Revenue Table" combining the items of revenue table showing the components of current profit/loss of the enterprises and the other comprehensive revenues or may prefer to prepare and present two different tables: Revenue Table and Comprehensive Revenue Table. The Group preferred to prepare and present revenue table and comprehensive revenue table as two separate tables.

- UMS 23, "Borrowing Costs"

The amendment of this standard finalizes the option of recognizing all borrowing costs as expenses and requires activation of the borrowing costs directly ascribable for acquisition, construction or production of featured asset. The amendment does not have any impact on the Group's financial performance.

- UMS 32 (Amendment), "Financial Instruments: Presentation" and UMS 1 (Amendment): "Presentation of Financial Tables" – Sellable Financial Instruments and Obligations due to Liquidation" (Amendment)

The amendment to UMS 32 requires that sellable financial instruments and obligations caused by liquidation, if certain criteria are fulfilled, are classified under capital instruments. The amendment to UMS 1 requires the definition and clarification of sellable financial instruments classified under capital instruments. The amendment does not have any impact on the financial performance of the Group.

- UFRYK 9 "Reassessment of hidden derivative products" and UMS 39 "Financial Instruments: Accounting and Measurement" – Hidden derivative products (Amendment)

According to the amendment in UFRYK 9, at the stage of reclassification of a financial asset under a group different from financial asset group of which the realistic value is reflected in the revenue table, the evaluation of whether it is necessary to separate a hidden derivative product from the basic contract and enter it into the account as a derivative product is conducted. This evaluation is conducted based on the conditions existent on whichever date of the following dates below is later:

(a) The date of becoming a party to a contract for the first time; or
(b) The date when an amendment in contract provisions that significantly changes the cash flows to be determined according to the contract takes place.

The amendment does not have any impact on the financial performance of the Group.

- UFRYK 13 "Customer Loyalty Programs"

Customer Loyalty Applications must be accounted for as a different component of sales transactions. A part of the realistic value of the collected value must be distributed to the benefits provided for customers and as the benefits in question are used by the customer, the revenue must be registered. The interpretation does not have any impact on the financial performance of the Group.

2. Principles regarding presentation of the Financial tables (continued)

- UFRYK 15, “Real Estate Construction Agreements”

UFRYL 15 provides guidance regarding such points as whether an agreement made for a real estate construction is contained in the scope of UMS 11 “Construction Agreements” standard or UMS 18 “Remittance” standard and with regard to that, determining when the revenue obtained from such a real estate construction is to be accounted for. The interpretation does not have any impact on the financial performance of the Group.

- UFRYK 16, "Protection from Risk regarding Net Investments in the Enterprise Abroad”

According to UFRYK 16, the presentation currency used in the financial tables does not provide justification for an enterprise to apply financial protection accounting. Consequently, a parent company can define the exchange differences arising from the difference between the currency used in its financial tables and currency used in foreign operations as the risk of protection from financial risk. The instrument of protection from financial risk may be kept by the enterprise(s) within the group. The interpretation does not have any impact on the financial performance of the Group.

- UFRYK 18, ‘Assets Transferred from the Customers’

UFRYK 18 clarifies the subject of accounting of the tangible fixed assets received from the customers or cash received for construction of the tangible fixed assets in question. The interpretation does not have any impact on the financial performance of the Group.

Improvements in UFRSs (published in 2008)
In May of 2008, the International Accounting Standards Board (UMSK) published the first collective amendments in order to clarify the expression and eliminate the inconsistencies regarding the Standards. There are different transition regulations for each standard and validity dates vary; the earliest date of enforcement is the 1st of January 2009. These improvements do not have any impact on the accounting policies, financial status and performance of the Group.

Improvements in UFRSs (published in 2009)
In April of 2009, the International Accounting Standards Board (UMSK) published the second collective amendments in order to clarify the expression and eliminate the inconsistencies regarding the Standards. The amendment UMS 18: Determination of whether the enterprise acts as the main enterprise or as a mediator was enforced in 2009 and does not have any impact on the accounting policies, financial status and performance of the Group.

The standards and amendments and interpretations to the existing previous standards that were published as from the approval date of the financial tables that are to be enforced for the accounting periods beginning on and after the 1st of January 2010 and that are not prematurely implemented by the Group are as follows:

a) New standards, amendments and interpretations to be valid for the financial tables of the end of the year dated the 31st of December 2010.

Improvements in UFRSs (published in 2009)
In April of 2009, the International Accounting Standards Board (UMSK) published the second collective amendments in order to clarify the expression and eliminate the inconsistencies regarding the Standards. There are different transition regulations for each standard and validity dates vary; the earliest date of enforcement is for accounting periods beginning from the 1st of July 2009. They do not have any impact on the accounting policies, financial status and performance of the Group.

2. Principles regarding presentation of the Financial tables (continued)

The standards amended by UMSK are provided below:

- UFRS 2: the scope of UFRS 2 and UFRS 3
- UFRS 5: The disclosure of fixed assets classified under assets ready for sale and of the discontinued operations
- UFRS 8: The disclosure of assets according to sections
- UMS 1: Classification of convertible instruments as liquid/fixed asset
- UMS 7: Classification of expenses regarding unaccounted assets
- UMS 17: Classification of building and land lease
- UMS 36: Accounting unit in the betterment depreciation testing
- UMS 38: Additional amendments regarding revised UFRS 3
- UMS 38: The measurement of realistic value of the intangible assets purchased in enterprise merges
- UMS 39: Evaluation of prepaid fines related to credits as hidden derivative product
- UMS 39: Scope exception in enterprise merge contract
- UMS 39: Cash flow protection accounting
- UFRYK 9: the scope of UFRYK 9 and UFRS 3
- UFRYK 16: Amendment regarding restrictions placed on the mediating enterprise for protection purposes

- UFRS 2 (Amendment), "Share based payments" – Group Cash Paid Share Based Payment Transactions

This amendment clarifies that with regard to the reporting and consolidated financial tables, if an enterprise purchases goods or services for cash from the partners outside the Group it is affiliated with, these transactions are not covered by the scope of UFRS 2. The enterprise management must consider the previous transactions occurring in such a manner. Also, certain amendments were made to the scope of UFRS 2 and definitions within it, and the explanations regarding application subjects were developed. According to "Amendments and Mistakes in the Estimates", it will be applied retrospectively in compliance with the changes in the accounting policies. Premature implementation is allowed provided that explanation is indicated in the notes. The amendment does not have any impact on the financial performance of the Group.

- UFRS 3 (Amendment), "Business merges" and UMS 27 (Amendment), "Consolidated and Non-consolidated Financial Tables"

Revised UFRS 3 brings various amendments to the subjects of accounting of the business merges, recording of betterment and reporting of the financial results of the period when the merge takes place. The amendments in question require that the costs correlated with purchase are recognized as expense and in conditioned cases, considered during purchase, the fair value changes occurring after reporting period must be considered in the revenues' table instead of being corrected from betterment. Amended UMS 27 also amends the subjects of the changes occurring in the share ownership of the shares of the subsidiary and the accounting of the subsidiary loss and control loss over the subsidiary. The amendment does not have any impact on the financial performance of the Group.

- UMS 39 (Amendment), "Financial Instruments: Accounting and Measurement" – Appropriate Protection Instruments

This amendment determines the principles to be implemented regarding unilateral risk in protected instruments and the protection accounting against inflation in financial protection instruments. The amendment does not have any impact on the financial performance of the Group.

2. Principles regarding presentation of the Financial tables (continued)

- UFRYK 17, “Distribution of non-pecuniary assets to the shareholders”

This standard is applied for distribution of non-pecuniary assets including distributions entitling the partners with option for obtaining one of the cash or non-cash asset alternatives. The amendment in question shall be applied anticipatorily. The interpretation does not have any impact on the financial performance of the Group.

b) New standards, amendments and interpretations to be valid as from the 31st of December 2010 (these amendments have not been accepted by the European Union yet):

The Group evaluates the impacts of the interpretations and standard amendments in question on the consolidated financial tables.

- UFRS 9,”Financial Instruments” (to be valid for the accounting periods beginning on or after the 1st of January 2013)

UFRS 9 brings new terms for the classification and measurement of the financial assets. The standard prescribes that all financial assets be classified according to the cash flow characteristics, depending on the business model and contract of the enterprise, regarding the management of the financial assets, and be measured with the cost redeemed after the first record or with the realistic value. The different classification categories in UMS 39 are removed. Also, the regulation in US 39 that allows the entering into the accounts, the financial assets that are based on the equity capital, of which the realistic value is indeterminable in terms of their cost value, is removed, and the amendment requires that with the exception of restricted situations, such financial assets are measured with their realistic value. It is not considered that the amendments in question will have any impact on the financial performance of the Group except for the financial assets ready for sale reflected in terms of their cost value.

- UMS 24 (Amendment) “Related Parties Explanations” (to be valid for the accounting periods beginning on or after the 1st of January 2011)

UMS 24 was amended in order to facilitate the related party explanation requirements for public associates and to clarify the definition of the related party. It is not considered that the amendment will have any impact on the consolidated financial tables.

- UMS 32 (Amendment) “Classification of share issues” (valid for accounting periods beginning on or after the 1st of January 2010).

The amendment to UMS 32 is applied for accounting of the shares in currency different from the functional currency of the exporter. The amendment does not have any impact on the financial performance of the Group.

- UFRYK 14 (Amendment) “Repayment of Minimum Funding Conditions” (to be valid for the accounting periods beginning on or after the 1st of January 2011)

This amendment solves the problem of prohibition of the accounting of some of the payments voluntarily made by the enterprises in advance for minimum funding conditions, such as assets. The amendment does not have any impact on the financial performance of the Group.

2. Principles regarding presentation of the Financial tables (continued)

- UFRYK 19, "Removal of Financial Obligations by Capital Instruments" (to be valid for the accounting periods beginning on or after the 1st of July 2010)

UFRYK 19 indicates the accounting to be implemented by the enterprises exporting capital instruments for complete or partial removal of only one financial obligation. The interpretation does not have any impact on the financial performance of the Group.

2.3 Amendments and mistakes in the accounting estimates

Within 2009, the Group reviewed the useful lives of the tangible fixed assets and made certain changes in the useful lives of the tangible fixed assets (Note 2.4) to begin from the 1st of January 2009. As the result of this amendment, the depreciation expense reflected in the financial tables was less by a total of 21.055.728 TL. This total impact will be distributed to the next 19 years.

2.4 Summary of significant accounting policies

Applied consolidation principles

Subsidiaries

The subsidiaries become consolidated from the date the control is taken over by the Company, and the consolidation process ends when the Company is no longer in control.

Çimsa is considered to have taken over the control of a company when it directly or indirectly owns 50% of the voting rights in a company and acquires the right to direct financial and operation policies in order to benefit from the activities of that company. Accordingly, Çimsa Cement, Cementos Espana, Çimsarom, Regent and OOO Russia's financial tables were subject to full consolidation according to consolidation method indicated in UMS 27 "Consolidated and Solo Financial Tables" standard.

Partnerships subject to joint management

CSN is the associate jointly managed by Çimsa and other partners of this company.

The balance sheets and revenues' table items of this company were added to Çimsa's balance sheet and revenues' table items by taking into account the share percentage of participation of Çimsa in the joint management. Çimsa's significant debt receivable balances and revenues' table items from this company are eliminated according to associate rate.

Consolidated financial tables include the financial tables of Çimsa and subsidiaries and partnerships subject to join management. Financial tables of subsidiaries and partnerships subject to joint management were prepared for the same reporting year by using accounting policies consistent with Çimsa and by using the same accounting principles for similar transactions.

2. Principles regarding presentation of the Financial tables (continued)

Investments valued by equity method

Exsa, one of the associates of the Company classified in the financial assets, was entered into the accounting tables according to equity method. In this associate consolidated balance sheet, changes after purchase are added to or deducted from the Company's associate's net assets share upon purchase cost, and the deduction of depreciation provision, if any, is shown. Consolidated revenues' table reflects the Company's associates' share as a result of the activity.

The changes occurring in the associate equities due to amounts not yet reflected in the associate profit or loss may also require correction in associate's book value in the Group's associate share rate. The Group's shares from these changes are directly accounted for in the Group's equities.

The financial tables of Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. have been prepared for the same reporting period with the parent company, using the same accounting policies.

On every balance sheet date, the Group evaluates whether there is any depreciation in the investments' value by using the equity method.

Netting/set off

Financial assets and obligations are shown in the balance sheet as netted in cases where there is a legal right and sanction power regarding netting and where there is intention of collecting/paying on net basis or simultaneously finalizing the assets and obligations in question.

Cash and cash equivalents

With regard to consolidated cash flow table presentation, cash and cash equivalent assets include cash assets in the register, cash money in the banks, checks and due deposits with original due date less than 3 months.

Stocks

Stocks are valued by cost value or with the one less than net realizable value. The expenses made to bring the stocks into existing condition have been accounted for as follows:

Raw materials – until the 1st of August 2008 determined by moving weighted average method; after the 1st of August 2008 determined by monthly weighted average method. The Company did not determine the impact of the amendment since it is not possible to conduct a separate retrospective moving weighted average study after a monthly weighted average study has been conducted within the SAP system.

Finished goods and semi-finished goods - Direct materials and labor expenses and varying and fixed general production expenses are included in certain rates (taking into account the normal activity capacity). Inventory valuation until the 1st of August 2008 is determined by moving weighted average method and after the 1st of 2008 is determined by monthly weighted average method.

Net realizable value is an amount estimated by deducting additional costs to occur from estimated sale price to sale process

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

2. Principles regarding presentation of the Financial tables (continued)

Tangible fixed assets

Tangible fixed assets are shown with net values after the depreciation accumulated from cost value and, if any, the depreciation provision is deducted. Tangible fixed asset's cost value consists of purchase price, importation taxes and unrecoverable taxes and expenses made for making the tangible asset ready for use. Such expenses as repair and maintenance after the tangible fixed asset is commenced for use shall be recorded as expenses in the period they occurred. If the expenses that provide economical value increase for the relevant tangible fixed asset in future use, these expenses are added to the asset costs. When the tangible fixed asset is sold, after the costs and accumulated depreciation regarding this asset are deducted from the relevant accounts, the resulting revenue or expense are included in the consolidated revenues' table.

Land and parcels are not subject to depreciation. Assets subject to depreciation are subject to linear depreciation with rates based on estimated economical lives indicated below in terms of cost amounts. The useful lives of the tangible fixed assets are as follows; the impact of the amendments made in estimated economical lives during current period were implemented anticipatorily and were reflected in the revenue table.

	New periods	Old periods
Underground and surface systems	8-50 years	10–50 years
Buildings	10-50 years	25–50 years
Machinery and devices	3-25 years	5–20 years
Inventories	3-50 years	5–15 years
Vehicles	5-14 years	5–14 years
Other	5-10 years	5–10 years
Special costs	Lease period	Lease period

Intangible fixed assets

Intangible fixed assets are assets consisting primarily of mineral rights and computer software and are first valued in terms of purchase price. Intangible fixed assets are activated in order to enable economical benefit in the future and to determine the costs more accurately. After the first record, intangible fixed assets are shown with their value after accumulated redemption and accumulated depreciation provisions are deducted from costs. Intangible fixed assets, besides development costs occurring in the enterprise scope, are not activated and are reflected as expense in the revenues' table of the year they take place. The economical lives of the intangible fixed assets are determined as with definite or indefinite duration. Intangible fixed assets with definite duration are redeemed by proportionate depreciation method in terms of their estimated economical lives. The redemption period and redemption method for intangible fixed assets with definite duration of economical lives are examined every year at least once a year. The changes to occur in the estimated usage lives or in the benefits to be obtained from intangible fixed assets are considered as changes in the method or period and are accounted as change in the accounting estimates. The redemption expenses of the intangible fixed assets with definite duration of economical lives are recorded as expenses in the revenues' table in compliance with the function of the intangible fixed asset.

2. Principles regarding presentation of the Financial tables (continued)

Intangible fixed assets are assets consisting primarily of mineral rights and computer software and are activated in terms of their cost value. Intangible fixed assets, besides mineral rights are redeemed according to the method of linear depreciation method in terms of the estimated economical lives (5 years) of the relevant assets. The mineral rights are subjected to depreciation based on the proportion of reserve consumed within the period to the total reserve. The remaining depreciation period depends on the depletion period of the reserves.

The Group does not possess any intangible fixed assets with indefinite duration of usage lives.

The carrying value of intangible fixed assets is examined in terms of depreciation in cases where the changes in the events or conditions indicate that the carrying value is not realizable.

Depreciation of non-financial assets

On each balance sheet date, the Group evaluates whether there is any indicator of depreciation regarding book value, obtained by deducting accumulated depreciations from cost value of tangible and intangible fixed assets. If such indicator exists, the regainable amount of that asset is estimated in order to determine the depreciation amount. When it is not possible to calculate alone the regainable amount of the asset, the regainable amount of the cash producing unit of the asset is calculated.

Regainable amount is the fair value or value in use, whichever is higher, obtained after deduction of sale costs. When calculating the value in use, the future estimated cash flows are reduced to the current day's value using discount rate before taxation, and reflect the time value of the money and risks of the asset. The primary assumptions used during these studies consist of inflation expectations for the upcoming years, increases expected in the sale and costs, changes in compositions of export-domestic market and expected national growth rates.

If the regainable amount of the asset (or cash producing unit) is less than the book value, the book value of the asset (or cash producing unit) is reduced to regainable amount. The losses in depreciation occurring in such case are entered into the revenue table account.

The increase occurring in the recorded value of the asset (or cash producing unit) due to cancellation of depreciation must not exceed the book value (net amount remaining after being subjected to depreciation) to occur in cases where the depreciation of the previous years is not included in the financial tables. The cancellation of depreciation is recorded in the revenue table.

Betterment

Betterment is the difference remaining between the cost of the purchased partnership or purchased asset on the date of the purchase and the current value of the net actives (assets, for purchased assets).

In the frame of the International Financial Reporting Standard (UFRS) 3 "Merges" betterment amount is not redeemed. When it is deemed necessary, betterment is reviewed at least once a year for depreciation in cases and conditions when carrying value will not be realized.

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

2. Principles regarding presentation of the Financial tables (continued)

Business merges, besides the merges of the enterprises under joint control, are accounted for according to purchase method. The cost of the purchase is measured, including the realistic value of the assets sold off on the transaction date, instruments based on equity exported by the enterprise, realized and undertaken obligations and expenses occurring directly in relation with the merge.

Transactions in foreign currency

For the first record of the transactions conducted in foreign currency in terms of functional currency, the Company and its subsidiaries base the transactions on the relevant exchange rates valid on the date of the transaction. Pecuniary assets and obligations in foreign currency are valued in terms of exchange rates valid on the date of reporting, and the expenses or revenues of the occurring exchange difference are recorded in the consolidated financial table of the relevant period. Non-pecuniary items in foreign currency measured with cost vale are converted into functional currency in terms of the exchange rate on the date of first transaction. Non-pecuniary items in foreign currency measured with realistic value are converted into functional currency in terms of the exchange rate on the date when the realistic value was determined.

The exchange rates used at the end of the period are as follows:

Date	TL / US Dollars	TL/EURO
31 December 2009	1,5057	2,1603
31 December 2008	1,5123	2,1408

Borrowing costs

During and before 2008, borrowing costs were recognized as expenses in the period they took place. As from the 1st of January 2009, the borrowing costs directly related to the purchase, construction or production of assets requiring significant time for becoming ready for prescribed use or sale shall be activated as part of the cost of the relevant assets. Other borrowing costs shall be recorded as expenses in the periods they take place. The borrowing costs include other costs faced with regard to the interest and indebtedness.

Provisions, conditional obligations and conditional assets

Provisions

The provisions are recorded only if the Group has a retroactive (legal or structural) obligation, if due to this obligation, there is a possibility of selling off the resources in order to bring economic benefit to the business and if the amount of the obligation is authentically determinable. When in the course of time the value loss of the money gains significance, the provisions are reflected in terms of the reduced value of the expenses likely to occur on the date of the balance sheet. When reduced value is used, increases to occur in the provisions as time goes by are recorded as interest expenses.

Conditional obligations and assets

Conditional obligations are not reflected in the financial tables, but are explained in the notes. Conditional assets are not reflected in the financial tables but are explained in the notes in cases where the possibility of creating economic gains is high.

2. Principles regarding presentation of the Financial tables (continued)

Taxes calculated in terms of corporate profit

Tax provisions consist of the current period and postponed tax provisions that are considered in calculation of period profit or loss.

Postponed tax is reflected by taking into consideration the taxation impacts occurring due to differences between the values of the actives and passives reflected in financial reporting and the bases in the legal tax account, taking into account the balance sheet obligation method. Postponed tax obligation is calculated in terms of all taxable temporary differences.

Postponed tax assets are separated in terms of all temporary differences and unused tax losses, if it appears possible for sufficient profit for future reduction of reducible temporary differences and unused tax losses to occur. In each balance sheet period, the Group reviews its postponed tax assets and takes them into accounts by considering the possibility of future reduction.

In calculation of postponed tax assets and obligations, the tax rates expected to occur in periods when the asset in question is to be realized and the obligation is to be fulfilled are calculated based on the tax rates (tax legislation) valid from the date of the balance sheet.

Postponed tax assets and postponed tax obligations are reciprocally deducted from each other provided that they are subjected to the tax legislation of the same country and there is a legally applicable right regarding deduction of current tax assets from current tax obligations.

Provisions regarding benefits for personnel / severance payment provision

a) Defined benefit plans:

In accordance with the existent Turkish Code of Labor, the Group is obliged to pay a certain amount of severance payment to personnel that retires or leaves the job for reasons other than resignation or bad behavior after at least one year of service.

As it is detailed in Note 17, the Group reflects the provisions of severance payment in the financial tables using "Projection Method" and bases the determination of the severance payment on the actuary study made by an independent actuary. Severance payment obligation is calculated by discounting, with interest rate estimated by professional actuaries.

All actuary gains and losses are recorded by amortization for the period of years left to average pension of existing employees in amount that exceeds the net current value of severance payment liability by 10% using corridor method according to IAS 19 and reflected to the income table.

The provisions regarding benefits for the personnel in the consolidated balance sheets are shown as a separate item under long term debts.

(b) Defined contribution plans:

The Group makes compulsory social insurance premium payments to the Social Security Institution. The Group does not have any other obligations as long as it pays these premiums. These premiums are reflected in the personnel expenses of the period they have been accrued.

2. Principles regarding presentation of the Financial tables (continued)

Leasing
Leasing procedures – as leaseholder

Financial leasing

The financial leasing prescribing the transfer of all risks and benefits regarding the ownership of the asset leased to the Group is reflected on the start date of the financial leasing on the basis of the smaller of the realistic value of the asset in question and the current value of the lease payments. Financial leasing payments are provisioned during the lease period as capital and financing expense so as to produce fixed periodical interest rate for the remaining debt balance for each period. Financing expenses are reflected directly in the revenues table as from their periods. Activated leased assets are subject to depreciation in terms of the estimated life of the asset.

Operational leasing procedures

The leasing where the lease giver party keeps all the risks and benefits of the leased asset is classified as operational leasing. In operational leasing, the lease payments are recognized as expenses equally during the lease period.

Related parties

In the event of one of the following criteria, the party is considered related to the Company:

(a) In the case that the party in question directly or indirectly by means of one or more mediators:
  (i) Controls the Company, is controlled by the Company or is under joint control together with the Company (including main partnerships, subsidiaries and subsidiaries in the same area of business);
  (ii) Owns shares to cause significant impact on the Company; or
  (iii) Has joint control over the Company;
(b) In the case that the party is an associate of the Company;
(c) In the case that the party has a partnership in which the Company is a joint enterprise;
(d) In the case that the party is a member of key management personnel of the Company or its main partnership;
(e) In the case that the party is a close family member of any of the individuals indicated in paragraphs (a) or (d);
(f) In the case that the party is an enterprise which is controlled or jointly controlled or where any of the individuals indicated in paragraphs (d) or (e) or where individuals of significant impact directly or indirectly have significant voting right; or
(g) In the case that the party has benefit plan provided to the personnel of the enterprise or the party related to the enterprise after being released from the job.

Transactions made with the related parties are a transfer of resources, services or obligations between the related parties regardless of any value provision.

Severance incentive premium provision

According to the collective labor agreement, the Group is obliged to pay its blue collar personnel the severance incentive premium for each employee in 5-year periods in terms of amounts indicated in the collective labor agreement. At the end of each period, the Group shall reflect it in the revenues table by discounting the first payment to be paid in the next period.

2. Principles regarding presentation of the financial tables (continued)

Revenue accounting

Revenue is recorded when economic benefit is likely to take place for the enterprise and the revenue amount is reliably measurable. Revenues are shown as net after discounts and value added tax have been deducted. The following criteria must be fulfilled for the revenues to take place.

Merchandise Sale

The revenues are considered as realized when the risk and benefits of the sold merchandise are transferred to the buyer and the revenue amount can be reliably calculated. Net sales consist of the invoiced sale value after the discounts and commissions have been deducted.

Service sale

The revenue from the service sale is considered as realized when it reaches the measurable completion degree. If the revenue to be obtained from a made agreement cannot be measured reliably the revenue is accepted to be as much as the amount to be earned back from the incurred expenses.

Interest

In cases where the collection is not suspicious, it is accepted as earned back according to the accrual basis.

Dividend

It is accepted as earned back the moment the partners obtain the right to receive profit shares.

Earnings per share

Earnings per share indicated in the consolidated revenues table are obtained by dividing the net profit by weighted average number of shares present on the market during the reporting period.

In Turkey, companies increase their capital by providing “bonus shares” from various internal resources to their existing shareholders. Such “bonus shares” distributions are evaluated as exported shares in the calculation of earnings per share. According to that, the weighted average share number used in these calculations is obtained by considering the retrospective impacts of the share distributions in question.

Events after the balance sheet date

Events occurring after the balance sheet date and that may have impact on the Group’s status on the balance sheet date are reflected in the consolidated financial tables. Events occurring after the balance sheet date not requiring correction are explained in the notes according to their degree of significance.

Accounting on transaction and delivery date

All purchases and sales of the financial assets are accounted for on the date of the transaction; in other words, on the date when the Group undertook to conduct the purchase or the sale. Ordinary purchases and sales are the purchases and sales where the delivery period of the asset is generally determined according to legislation or regulations on the market.

2. Principles regarding presentation of the Financial tables (continued)

Financial instruments

Financial instruments are the agreements that increase the financial assets of one enterprise while increasing the financial obligations or capital instruments of the other enterprise.

Financial assets are:

- Cash;
- right based on agreement prescribing purchase of cash or other financial asset from another enterprise;
- right based on agreement prescribing provisionary exchange of financial assets of the enterprise with another enterprise in favor of the enterprise; or
- capital instruments of another enterprise.

Contract based financial obligations are:

- obligations that prescribe giving cash or another financial asset to another enterprise; or
- obligations based on the contract prescribing provisionary exchange of financial instruments of the enterprise with another enterprise in favor of the enterprise.

A financial asset or financial obligation is primarily calculated in terms of given (for financial asset) and obtained (for financial obligation) transaction costs that are fair value and by adding (deducting for financial obligation) transaction expenditures, if any.

Fair value of financial instruments

The fair value means the price of a financial asset subject to purchase and sale between the willing parties in current period with the exception of situations such as compulsory sale or liquidation. Quoted market price, if any, is the value reflecting the fair value of a financial asset in the best way.

The methods and assumptions indicated in the estimate of the fair values of the Company’s financial assets are explained in Note 29.

Financial assets

Credits and receivables

Commercial and other receivables and credits with fixed and determinable payments and not traded on the market are contained in this category. Credits and receivables are shown in terms of cost discounted using effective interest method and by deducting depreciation.

Commercial receivables contained within the credits and receivables category are registered with invoiced amounts and in the following periods are carried with net value reduced by effective interest rate method and after suspicious receivable provision, if any, is deducted.

Promissory notes and postdated checks classified in the commercial receivables are carried with reduced values being subject to rediscount with effective interest rate method.

2. Principles regarding presentation of the Financial tables (continued)

Financial investments ready for sale

All financial investments ready for sale are recorded with the cost amount that is considered to express the fair value at the first moment of purchase. Transaction costs are included in this recording.

After first record, assets ready for sale are evaluated in terms of their fair value. Interest obtained from financial investments ready for sale is shown as interest revenue. The profit or loss regarding evaluation of financial investments ready for sale in terms of their fair value are shown in a separate item in the equity capital until the relevant assets are sold, turned into cash or sold off in some other way or faces depreciation in any way; after that date they are correlated with revenue and expense accounts.

Financial assets traded in the organized markets have been valued based on the market price at the end of the business day in the balance sheet date. Financial assets not traded in the organized markets are reflected by deducting, if any, the depreciation provision from relevant financial asset's historical cost.

Depreciation in financial assets

Financial assets or financial asset groups other than financial assets for which the realistic value is reflected in profit or loss are evaluated on each balance sheet date in terms of whether there are any indications showing that they suffered from depreciation. In cases where one or more events take place after the first accounting of the financial asset and in cases where an objective indicator showing that as a result of the said event's negative impact on the predictable future of the cash flows of the relevant financial asset or asset group, or the relevant financial asset suffers from depreciation, depreciation loss takes place. The depreciation amount for credits and receivables is the difference between the current value calculated by discounting the future estimative cash flows in terms of effective interest rate and the book value. The Company follows its receivables separately. Also, when it is not possible to determine a single distinct event causing depreciation, the Group includes the financial asset in the financial assets with the same risk character and conducts the depreciation evaluation collectively. With the exception of commercial receivables, for which the book value is decreased by means of using a provision account, the depreciation of all financial assets is deducted directly from relevant financial asset's recorded value. When commercial receivable cannot be collected, the amount in question is erased from provision account by deduction. The changes in provision account are accounted for in revenue table.

Suspicious receivable provision is reflected in the records as expenses. If there is substantial proof that matured receivables cannot be collected, suspicious receivable provision is separated. The provision is an amount that is considered to cover the possible losses due to the risk estimated by the Group management and brought about by economical conditions or the nature of the account. The receivables that are determined to be completely impossible to be collected shall be completely erased from the records.

When the fair values of the financial assets ready for sale, followed in terms of their fair values, drop below their cost value due to market fluctuations, the Group, while evaluating whether there is any depreciation to be correlated with period results, takes into account whether the fair value losses are significant, permanent and unable to be regained in the long run and the performance of the similar financial assets in the market. According to the Group's accounting policies, in order to deem the fair value losses in financial assets as permanent or unable to be regained in the long run, at least one year must pass from the date that the fair value drops below the cost value. In the event of depreciation, the relevant provision is reflected in revenues' table from equity capital.

2. Principles regarding presentation of the Financial tables (continued)

Financial obligations

In the beginning, financial obligations are accounted for in terms of their realistic values' net of transaction costs and in the following periods, they are carried in terms of cost value redeemed using effective interest method together with interest expense calculated in terms of effective interest rate.

Effective interest method is the method of calculation of the redeemed cost of financial obligation and its distribution in the period related to the relevant interest expense. Effective interest rate is the rate that reduces the estimated cash payment to be made in the future for the expected lifespan of the financial tool or if it is appropriate, for a shorter period of time, to the net current value of the relevant financial obligation.

Recording and deletion of financial assets and obligations

The Group shows the financial actives or the financial passives in the balance sheet if it is party to a financial tool contract. The Group removes the financial active or some part of the financial active from the record only if it loses the control over the rights brought by the contract that the said assets are subject to and when it transfers the risks and benefits regarding the ownership. The Group removes the financial passive from the record only if its obligation defined in the contract is removed, cancelled or has timed out.

Bank credits

All bank credits are recorded with cost value considered as reflecting the current value at the first recorded moment, and they include export costs.

After the first record, the credits are shown with their net values reduced by the effective interest rate method. When calculating the reduced value, the costs at the first export moment and discounts and bonuses during the refund are considered.

Revenues or expenses occurring during redemption process or during recording of the obligations are correlated with the revenues' table.

Commercial debts

Commercial debts are in the records together with reduced cost value representing current value of the invoiced or uninvoiced amount to occur in the future regarding goods and service purchase.

Recording and deletion of financial assets and obligations

The Group shows the financial actives or the financial passives in the balance sheet if it is party to a financial tool contract. The Group removes the financial active or some part of the financial active from the record only if it loses the control over the rights brought by the contract for which the said assets are subject to and when it transfers the risks and benefits regarding the ownership. The Group removes the financial passive from the record only if its obligation defined in the contract is removed, cancelled or has timed out.

2.5 Significant accountancy evaluation, estimates and assumptions

While preparing the financial tables, the Group management must make some estimates and assumptions that affect the explanations regarding reported active and passive amounts and assets and obligations of possible occurrence as from the balance sheet date. The realized consequences may be different from the estimates and assumptions. These estimates and assumptions are regularly reviewed and when any correction is needed, the corrections are reflected on the activity results of the relevant period.

2. Principles regarding presentation of the Financial tables (continued)

The interpretations to have a significant impact on the amounts reflected in the financial tables and the significant assumptions and main assessments made considering the principal sources of the estimates existing on the balance sheet date or to be realized in the future are as follows:

a) Severance payment obligation is determined by actuarial calculations based on certain assumptions including discount rates, future salary increases and personnel turnover rates. Since these plans are long term plans, the assumptions in question contain significant indeterminacies. The details regarding provisions for benefits provided for personnel are indicated in Note 17.

b) Suspicious receivable provisions reflect the amounts that the Group management believes will cover the future losses regarding receivables with the risk of being uncollectible in the frame of the economical conditions existing but current on the date of the balance sheet date. While evaluating whether the receivables suffered from deprecation, the past performances and market credibility of the debtors outside the related parties and key customers, their performances from the date of the balance sheet to the date of the approval or the financial tables, together with renegotiated terms are taken into account. Suspicious provisions from the date of the relevant balance sheet are reflected in Note 9.

c) The Group management made significant assumptions especially regarding determination of useful economical lifespan of buildings and machinery equipment in accordance with the experiences of the technical team. (Note 13)

d) When reserving lawsuit provisions, the probability of losing the lawsuits and the results to be faced in case of loss are evaluated in accordance with the opinion of the Group’s legal consultants; Group management makes its best estimates using the existing data and the explanations regarding provision deemed necessary are indicated in Note 16.

e) The Group conducts its depreciation analysis regarding betterment using reduced cash flows. These analyses include various assumptions regarding Group’s future activities and used discount rates. (Note 15)

f) The Group also makes assumptions in calculation of provision for restoration of mine sites according to the opinion of technical personnel and estimates the costs of restoration plans.

g) Regarding the depreciation of stock, the stocks are examined physically, their age is taken into consideration, and their usability is determined in accordance with the opinion of the technical personnel, and thereafter provision is separated for items that are estimated as not being useful. In determination of the net realizable value of the stocks, list sale prices and data regarding given average annual discount rates are used and the estimates regarding the sale expenses to increase are made. According to the result of these studies, the details of provision for stocks with net realizable value under the cost value are provided in Note 11.

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

3. Reporting according to sections

The majority of the foreign sales of the Group consist of single sales to different geographical areas and the distribution of the sales by geographical locations by years is not consistent. For this reason, the details of the proceeds are indicated as domestic and foreign sales in Note 20.

Business activities of the Group are managed and organized in accordance with the contents of the services and products provided by the Group. The Group conducts its reporting according to sections in accordance with UFRS 8. The intersectional transfer prices are prepared on the same basis as those conducted for the third persons. The information regarding the Group's activity areas include the information regarding the earnings and profit obtained from cement (including clinker and aggregate) and ready-mixed concrete activities.

1 January – 31 December 2009					
	Cement	Ready-mixed Concrete	Non-distributed	Elimination	Total
Sale revenues	518.135.141	162.957.144	-	(66.167.454)	614.924.831
Sale costs (-)	(340.080.391)	(159.812.111)	-	66.167.454	(433.725.048)
Gross profit	**178.054.750**	**3.145.033**	**-**	**-**	**181.199.783**
Activity expenses (-)	(28.699.979)	(1.088.221)	(5.820.137)	-	(35.608.337)
Other activity revenues/ expenses (-), net	(6.354.868)	(650.694)	-	-	(7.005.562)
Activity profit	**142.999.903**	**1.406.118**	**(5.820.137)**	**-**	**135.585.884**
Profit/loss shares of investments valued by equity method	-	-	4.222.209	-	4.222.209
Financial revenues/expenses (-), net	-	-	(9.572.416)	-	(9.572.416)
Continued operations profit before taxation	**142.999.903**	**1.406.118**	**(11.170.344)**	**-**	**133.235.677**
Continued operations tax expense, net	**-**	**-**	**(25.102.900)**	**-**	**(25.102.900)**
Current tax expense (-)	-	-	(20.802.579)	-	(20.802.579)
Postponed tax revenue/(expense)	-	-	(4.300.321)	-	(4.300.321)
Continued operations current profit	**142.999.903**	**1.305.118**	**(36.273.244)**	**-**	**108.132.777**
31 December 2009					
	Cement	Ready-mixed Concrete	Non-distributed	Elimination	Total
Assets and obligations (*)					
Section assets	774.246.697	102.553.771	-	-	876.800.468
Associates	-	-	320.148.664	-	320.148.664
Non-distributed assets	-	-	2.792.255	-	2.792.255
Total assets	**774.246.697**	**102.553.771**	**322.940.919**	**-**	**1.199.741.387**
Section obligations	189.899.710	77.740.909	-	-	267.640.619
Non-distributed obligations	-	-	932.100.768	-	932.100.768
Total obligations	**189.899.710**	**77.740.909**	**932.100.768**	**-**	**1.199.741.387**
1 January – 31 December 2009					
Other section information					
Investment expenditures (expenses)					
Tangible fixed assets	21.415.163	9.405.483	-	-	30.820.646
Intangible fixed assets	645.222	-	-	-	645.222
Total investment expenditures	**22.060.385**	**9.405.483**	**-**	**-**	**31.465.868**
Depreciation expense	(23.226.835)	(6.221.760)	-	-	(29.448.595)
Redemptions	(1.244.676)	(80)	-	-	(1.244.756)

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

3. Reporting according to sections (continued)

1 January – 31 December 2008					
	Cement	Ready-mixed Concrete	Non-distributed	Elimination	Total
Sale revenues	532.851.208	144.874.982	-	(58.252.936)	610.473.254
Sale costs (-)	(365.116.534)	(143.835.880)	-	58.252.936	(450.709.478)
Gross profit	**158.734.674**	**1.029.102**	**-**	**-**	**159.763.776**
Activity expenses (-)	(24.920.731)	(1.075.288)	(8.198.826)	-	(34.194.845)
Other activity revenues/ expenses (-), net	(3.340.825)	(695.489)	-	-	(4.036.314)
Activity profit	**130.473.118**	**(741.675)**	**(8.198.826)**	**-**	**121.532.617**
Profit/loss shares of investments valued by equity method	-	-	8.786.284	-	8.786.284
Financial revenues/expenses (-), net	-	-	(38.101.797)	-	(38.101.797)
Continued operations profit before taxation	**130.473.118**	**(741.675)**	**(37.514.339)**	**-**	**92.217.104**
Continued operations tax expense, net	**-**	**-**	**(15.712.990)**	**-**	**(15.712.990)**
Current tax expense (-)	-	-	(15.657.129)	-	(15.657.129)
Postponed tax revenue/(expense)	-	-	(55.861)	-	(55.861)
Continued operations current profit	**130.473.118**	**(741.675)**	**(53.227.329)**	**-**	**76.504.114**
31 December 2008					
	Cement	Ready-mixed Concrete	Non-distributed	Elimination	Total
Assets and obligations (*)					
Section assets	768.451.276	106.849.944	-	-	875.301.220
Associates	-	-	206.835.241	-	206.835.241
Non-distributed assets	-	-	9.464.352	-	9.464.352
Total assets	**768.451.276**	**106.849.944**	**216.299.593**	**-**	**1.091.600.813**
Section obligations	249.016.953	11.150.010	-	-	260.166.963
Non-distributed obligations	-	-	831.433.850	-	1.091.600.813
Total obligations	**249.016.953**	**11.150.010**	**831.433.850**	**-**	**1.091.600.813**
1 January – 31 December 2008					
Other section information					
Investment expenditures (expenses)					
Tangible fixed assets	47.601.499	23.373.574	-	-	70.975.073
Total investment expenditures	**47.601.499**	**23.373.574**	**-**	**-**	**70.975.073**
Depreciation expense	(43.350.691)	(5.706.927)	-	-	(49.057.618)
Redemptions	(1.144.052)	(33)	-	-	(1.144.085)

The Group does not have a client constituting 10% or more of the total sales.

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

4. Business partnerships

The amounts of liquid assets, fixed assets, short term obligations, long term obligations, revenues and expenses of CSN subject to joint management that are included in the consolidation with proportionate consolidation method are multiplied by the 50% associate rate:

	31 December 2009	31 December 2008
Liquid assets	**1.873.526**	1.510.750
Fixed assets	**97.073**	34.980
Short term obligations	**1.544.060**	1.304.490
Revenues	**7.452.196**	5.621.591
Expenses	**(7.303.062)**	(5.628.633)

5. Business merges

In 2009, the Group completed the process of determination of the realistic values of the assets of Bilecik Ready-mixed Concrete Facilities purchased by the Company on the 31st of July 2008 and conducted its first recording on provisional basis in the scope of UFRS 3 “Business Merges”. The final market values and the book values before purchase are as follows:

	Carrying value	**Book value**
Prepaid expenses	442.000	442.000
Tangible and intangible fixed assets	18.081.054	18.081.154
Minus: Purchase price	**22.817.025**	
Betterment	**4.293.971**	

As the result of determination of the final values of the relevant assets in 2009, there hasn’t been any change in the values and betterment amounts recorded provisionally.

6. Cash and cash equivalents

	31 December 2009	31 December 2008
Bank (including short term deposits shorter than 3 months)	**50.391.956**	7.500.521
Checks in collection with due date before balance sheet date	**696.925**	2.099.370
Total	**51.088.881**	9.599.891

The due periods for deposit accounts, depending on the groups urgent cash needs, vary between 29 and 35 days (31st of December 2008 – none). The interest rates vary between 9.60% and 10.60% (31st of December 2008 – none).

As from the 31st of December 2009 and the 31st of December 2008, the Group does not have any blocked deposit.

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

7. Financial investments ready for sale

	31 December 2009		31 December 2007	
Company	**Share rate (%)**	**Sum**	Share rate (%)	Sum
Mesbaş Mersin Serbest Böl. İşl. A.Ş (Mesbaş)	**0,41**	**52.712**	0,41	52.712
Batı Akdeniz Liman İşl. A.Ş. (Batı Akdeniz)	**8,32**	**9.258**	8,32	9.258
Anfaş Antalya Fuar. A.Ş. (Anfaş)	**0,02**	**4.266**	0,02	4.266
Temsa Araştırma, Geliştirme ve Teknoloji A.Ş	**0,00**	**7.500**	0,00	7.500
		73.736		73.736

Since it is not possible to reasonably calculate the fair values of the financial investments ready for sale, the financial fixed assets in question (corrected in terms of inflation until the end of 2004) are carried in the balance sheet in terms of their cost values.

8. Financial debts (net)

Short term financial debts

31 December 2009	**Currency**	**Due dates**	**Balance**
Unsecured credits		**-**	**642.874**
642.874 TL (****)	**TL**	**24 May 2010**	**48.434.927**
48.434.927 TL (***)	TL		
20.131.736 US Dollars (**)	**USD**	**8 February 2008 – 5 April 2010**	**30.312.355**
1.261.829 Euro (***)	**EUR**	**25 May 2010**	**2.725.928**
Short term part of the long term credits 14.638.728 US Dollars	**USD**	**22 December 2010**	**20.057.501** **22.041.533**
Short term part of the long term financial leasing 1.033.130 Euro	Euro	**20 December 2010**	**2.231.871**
			106.389.488

31 December 2008	**Currency**	**Due dates**	**Balance**
Unsecured credits			
540.182 TL (****)	**TL**	**-**	**540.182**
50.291.773 US Dollars (*)	USD	**31 March 2009 – 14 October 2009**	**76.056.249**
55.719.657 US Dollars (**)	**USD**	**31 March 2009 – 14 October 2009**	**84.264.838**
1.003.504 Euro (**)	**EUR**	**17 March 2009**	**2.148.301**
Short term part of the long term credits 15.423.945 US Dollars	**USD**	**22 December 2009**	**23.325.634**
			186.335.204

(*) Interest and capital payments shall be made quarterly and semiannually, respectively.
(**) Interest and capital payments shall be made semiannually.
(***)Interest and capital payments shall be made annually.
(****) Interest free short term credits used for temporary purposes.

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

8. Financial debts (net) (continued)

Long term financial debts

		31 December 2009
Currency and amount	**Due dates**	**Balance**
Unsecured credits		
14.157.513 US Dollars (**)	**22 December 2010**	**21.316.967**
2.221.545 US Dollars (*)	**31 December 2014**	**3.344.981**
Minus – short term part (14.638.728 US Dollars)		**(22.041.533)**
Financial leasing		
2.721.151 Euro	20 November 2012	5.878.503
Minus – short term part		
(1.033.130 Euro)		(2.231.871)
		6.267.047

		31 December 2008
Currency and amount	Due dates	Balance
Unsecured credits		
28.576.520 US Dollars	22 December 2010	43.216.273
2.894.006. US Dollars	31 December 2014	4.376.606
Minus – short term part (15.423.945 US Dollars)		(23.325.634)
		24.267.245

(*) Interest and capital payments shall be made quarterly and semiannually, respectively.
(**) Interest and capital payments shall be made semiannually.

The repayment schedule for the long term credits is as follows:

	31 December 2009	31 December 2008
2009	**-**	23.325.634
2010	**24.273.404**	21.664.865
2011	**2.846.671**	2.602.380
2012	**2.249.093**	-
2013 and later	**1.171.283**	-
	30.540.451	47.592.879

Financial leasing commitments

As from the 31st f December 2009, the Group has signed a leasing contract regarding transmixer purchase. The leasing payments in the scope of the leasing contract shall begin on the 19th of November 2009 and shall be made in equal installments until the 20th of November 2012.

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

8. Financial debts (net) (continued)

Financial leasing commitment payment schedule is as follows:

Financial leasing commitments	**31 December 2009**	31 December 2008
Within one year	**2.467.447**	-
Between one and five years	**3.818.130**	-
Debts from total financial leasing transactions	**6.285.577**	-
Interest	**(407.074)**	-
Current value of the debts from total financial leasing transactions	**5.878.503**	-

9. Commercial receivables and debts (net)

a) Short term other commercial receivables

	31 December 2009	31 December 2008
Commercial receivables, net	**73.760.776**	51.793.543
Postdated checks and promissory notes receivables, net	**31.045.823**	65.238.436
Minus: Suspicious receivables provision	**(1.668.784)**	(1.553.280)
	103.137.815	115.478.699

The collection period for commercial receivables, varying with regard to the quality of the product and the agreements made with the customer is average 65 days (31st of December 2008 – 50 days). The average due period for the promissory notes and postdated checks is 30 days (31st of December 2008 – 30 days). The effective interest rate is 7.69% for TL, 0.43% for US Dollars and 0.94% for Euro (2008 – TL: 15.50%, US Dollars: 2.00%, Euro: 3.06%)

The activity of suspicious receivable provision as from the 31st of December 2009 and 2008 is provided below:

	31 December 2009	**31 December 2008**
1st of January balance	1.553.280	834.596
Current period suspicious receivable provision expense	115.504	718.684
31st of December balance	1.668.784	1.553.280

The aging table regarding the non-provisioned parts of the receivables of the Group that matured as from the 31st of December 2009 and the 31st of December 2008 is as follows:

		Receivables that are matured but non-provisioned for suspicious receivable				
	Non-matured receivable	Less than 1 month	1-2 months	2-3 months	More than 3 months	Total
31 December 2009	**96.335.462**	**4.053.292**	**1.064.601**	**158.400**	**1.081.953**	**102.693.708**
31 December 2008	103.119.237	6.397.971	2.023.097	1.148.935	2.380.312	115.069.552

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

9. Commercial receivables and debts (net) (continued)

Letters of guarantee

Guarantees/encumbrances received as from the 31st of December 2009 and the 31st of December 2008 are as follows:

		31 December 2009		31 December 2008	
	Currency	**Original sum**	**TL equivalent**	Original sum	TL equivalent
Received letters of guarantee	EUR	**5.875.003**	**12.691.769**	6.641.925	14.219.033
Received letters of guarantee	US Dollars	**1.514.500**	**2.280.383**	2.410.500	3.645.399
Received letters of guarantee	TL	**72.535.160**	**72.535.160**	87.064.217	87.064.217
Received encumbrances	TL	**42.790.025**	**42.790.025**	44.574.658	44.574.658
Received check bond	TL	**19.789.344**	**19.789.344**	21.288.415	21.288.415
Received check-bond	EUR	**192.400**	**415.642**	192.400	411.890
Received check-bond	US Dollars	**55.424**	**83.452**	55.424	83.818
Received treasury bond	TL	**520.910**	**520.910**		
Pledge transaction	TL	**6.262.778**	**6.262.778**	3.114.400	3.114.400
Received guarantees total			**157.369.463**		174.401.830

b) Short term other commercial debts

As of the 31st of December 2009 and the 31st of December 2008, the Group had commercial debts of 45.553.655 TL and 41.067.166 TL, respectively. The average period of commercial debts was 40 days (31st of December 2008 – 30 days). The interest rates used in calculation of reduced cost amount are 7.69% for TL, 0.43% for US Dollars and 0.94% for Euro (31st of December 2008 – TL:15.50%, US Dollars: 2.00%, Euro: 3.06%)

10. Other receivables and other debts (net)

a) Other short and long term receivables

As from the 31st of December 2009 and the 31st of December 2008, the Group's short term other receivables were 1.594.814 TL and 1.006.169 TL, respectively.

As from the 31st of December 2009 and the 31st of December 2008, the Group's long term other receivables were 768.485 TL and 686.465 TL, respectively.

b) Short term other debts

	31 December 2009	31 December 2008
Advances received from the customers	**1.275.039**	2.440.400
Taxes, duties and fees to be paid	**2.036.941**	1.170.932
Social Security premium to be paid	**1.006.616**	935.312
Debts to partners (Note 28)	**492.657**	457.054
Debts to personnel	**378.125**	640.073
Other debts	**51.928**	402.950
	5.241.306	6.046.721

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

11. Stocks

	31 December 2009	31 December 2007
Raw material stocks	**40.405.363**	55.473.063
Semi-finished goods stocks	**12.982.768**	34.438.563
Finished goods stocks	**9.009.285**	13.216.251
Goods in transit	**2.107.650**	2.594.796
Stock depreciation provision (Note 24)	**(1.111.219)**	-
	63.393.847	105.722.673

12. Investments valued by equity method

Associates		**31 December 2009**		31 December 2008 (reformulated Note 2)		31 December 2007 (Reformulated Note 2)	
Company	**Main activity area**	**Effective ownership rate(%)**	**Book value**	**Effective ownershi p rate(%)**	Book value	Effective ownership rate(%)	Book value
Exsa	Import and export mediation	**32,875**	**320.074.928**	32.875	206.761.505	32,875	295.812.318
			320.074.928		206.761.505		295.834.497

The assets, obligations and net profit calculated with effective ownership rate for the Company as from the 31st of December 2009 and the 31st of December 2008 of Exsa included in consolidation by equity method are as follows (the amounts are multiplied by 32,875% associate rate):

		(Reformulated Note 2)	(Reformulated Note 2)
	31 December 2009	31 December 2008	31 December 2007
Assets	**322.066.680**	215.615.484	340.914.280
Obligations	**(1.991.752)**	(8.853.979)	(45.101.962)
Value increase/(decrease) differences, net(*)	**66.613.728**	(50.170.239)	47.666.858
Net profit	**4.222.209**	8.786.284	94.723.422
Sales	**1.659.962**	13.280.043	36.473.945

(*) Shown in the equity capital account.

On the 28th of February 2008 Exsa purchased "Sabancı'dan" and "Sakıp Ağa" brands from related party Gıdasa Sabancı Gıda Sanayi ve Ticaret A.Ş. (hereinafter referred to as "Gıdasa") for 12.000.000 TL. In the process of preparation of financial tables dated December 31, 2008, Exsa management made an evaluation regarding these assets and as a result of this evaluation, considering that strategic changes would be required in Exsa's existent commercial structure, it was decided that these brands could not be readily used, and with regard to caution principle, it was decided that the amount in question must be accounted for by recording it as expense in the current period revenue table. As of the 3rd of March 2008, Gıdasa was sold to an outside group and is no longer a related party.

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

13. Tangible fixed assets (net)

Tangible assets net activity table for the accounting period ended on the 31st of December 2009 is provided below:

	Land and parcels	Underground and surface systems	Buildings	Machinery and devices	Vehicles	Inventories	Other tangible fixed assets	Special costs	Continuing investments	Total
31 December 2008, net	**37.034.614**	**14.157.063**	**108.173.615**	**222.811.100**	**22.524.016**	**2.803.193**	**143.203**	**1.493.360**	**27.510.516**	**436.650.680**
Foreign currency conversion adjustment	-	1.181	153.573	33.757	1.389	3.408	(47)	-	(29.396)	163.865
Purchases	37.045	75.567	460.590	1.086.484	7.835.290	265.549	76.313	30.000	20.953.808	30.820.646
Sales/outputs, net	-	(64.981)	(240.910)	(753.721)	(48.194)	(5.751)	-	(2.243)	-	(1.115.800)
Transfers	-	809.802	4.336.726	7.222.292	2.163.556	123.119	-	13.138	(14.668.633)	-
Fixed asset depreciation	-	-	-	(668.029)	-	-	-	-	-	(668.029)
Current depreciation expense	-	(1.543.119)	(4.658.138)	(17.164.183)	(4.997.561)	(618.518)	(90.387)	(376.689)	-	(29.448.595)
31 December 2009, net	**37.071.659**	**13.435.513**	**108.225.456**	**212.567.700**	**27.478.496**	**2.571.000**	**129.082**	**1.157.566**	**33.766.295**	**436.402.767**
31 December 2009										
Costs	**37.071.659**	**35.032.153**	**186.422.476**	**786.615.069**	**93.497.710**	**8.871.559**	**846.515**	**2.207.382**	**33.766.295**	**1.184.330.818**
Accumulated depreciation	**-**	**(21.596.640)**	**(78.197.020)**	**(574.047.369)**	**(66.019.214)**	**(6.300.559)**	**(717.433)**	**(1.049.816)**	**-**	**(747.928.051)**
Net book value	**37.071.659**	**13.435.513**	**108.225.456**	**212.567.700**	**27.478.496**	**2.571.000**	**129.082**	**1.157.566**	**33.766.295**	**436.402.767**

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

13. Tangible fixed assets (net) (continued)

Tangible assets net activity table for the accounting period ended on the 31st of December 2008 is provided below:

	Land and parcels	Underground and surface systems	Buildings	Machinery and devices	Vehicles	Inventories	Other tangible fixed assets	Special costs	Continued investments	Total
31 December 2007, net	**32.096.760**	**13.486.244**	**105.115.723**	**244.468.186**	**14.618.116**	**2.009.375**	**220.907**	**1.581.346**	**2.549.500**	**416.146.157**
Inputs from current period company purchase, net (Regent)	-	-	5.897.093	591.149	131.539	119.864	-	-	-	6.739.645
Inputs from current period company purchase, net (Note 5) (Bilecik Ready-mixed Concrete Facility)	4.615.556	-	1.695.084	2.908.222	8.113.274	748.918	-	-	-	18.081.054
Foreign currency conversion adjustment	(326.639)	20.004	128.739	(57.598)	10.017	10.969	(38.729)	-	3.110	(250.127)
Purchases	788.937	503.011	115.147	3.304.144	120.167	296.955	126.172	40.890	40.858.951	46.154.374
Sales/outputs, net	(140.000)	(186.274)	(286.000)	(384.411)	(164.883)	(1.237)	-	-	-	(1.162.805)
Transfers	-	1.777.335	690.456	3.006.326	9.682.511	544.115	(71.820)	272.122	(15.901.045)	-
Current depreciation expense	-	(1.443.257)	(5.182.627)	(31.024.918)	(9.986.725)	(925.766)	(93.327)	(400.998)	-	(49.057.618)
31 December 2008, net	**37.034.614**	**14.157.063**	**108.173.615**	**222.811.100**	**22.524.016**	**2.803.193**	**143.203**	**1.493.360**	**27.510.516**	**436.650.680**
31 December 2008										
Cost	37.034.614	34.362.814	181.876.788	783.530.029	84.017.264	9.588.146	769.931	2.177.706	27.510.516	1.160.867.808
Accumulated depreciation	-	(20.205.751)	(73.703.173)	(560.718.929)	(61.493.248)	(6.784.953)	(626.728)	(684.346)	-	(724.217.128)
Net book value	**37.034.614**	**14.157.063**	**108.173.615**	**222.811.100**	**22.524.016**	**2.803.193**	**143.203**	**1.493.360**	**27.510.516**	**436.650.680**

The Company does not have any pledges or encumbrances on the tangible assets as from the 31st of December 2009 except for tangible assets that amounted to 6.946.361 TL (31st of December 2008 – 6.728.749 TL).
As from the 31st of December 2009, the cost value of currently used but completely amortized tangible and intangible assets is 497.431.207 TL (31st of December 2008 – 482.763.932 TL).
As from the 31st of December 2009, cost amount of tangible assets obtained by financial leasing is 6.622.239 TL with accumulated depreciation of 157.672 TL (2008 – none).

(Currency – New Turkish Lira, unless specified otherwise)

14. Intangible fixed assets (Net)

	Mining rights (*)	Other intangible fixed assets	Total
31 December 2007, net	**19.250.228**	**1.927**	**19.252.155**
Current period redemption	**(1.243.834)**	**(922)**	**(1.244.756)**
Purchases	**645.222**	**-**	**645.222**
31 December 2009, net	**18.651.616**	**1.005**	**18.652.621**
31 December 2009			
Costs	**23.404.112**	**33.185**	**23.437.297**
Accumulated redemption	**(4.752.496)**	**(32.180)**	**(4.784.676)**
Net book value	**18.651.616**	**1.005**	**18.652.621**
31 December 2007, net	20.388.172	8.068	20.396.240
Current period redemption	(1.137.944)	(6.141)	(1.144.085)
31 December 2008, net	19.250.228	1.927	19.252.155
31 December 2008			
Costs	22.758.890	33.185	22.792.075
Accumulated redemption	(3.508.662)	(31.258)	(3.539.920)
Net book value	19.250.228	1.927	19.252.155

The mining rights within the intangible assets are subject to redemption on the basis of the ratio of the reserve consumed during the year to the total reserve. The remaining redemption period depends on the remaining period of reserve consumption.

15. Betterment

As from the 31st of December 2009 and the 31st of December 2008, the Company's betterment amount carried in the financial tables regarding Standard Çimento purchased in 2005 is 132.140.806 TL. The betterment amount of 275.431 TL (31 December 2008 - 276.638 TL) is regarding the purchase of Çimsa Cement. The remaining betterment amount of 4.293.971 TL (31^{st} of December 2008 – 4.293.971 TL) is regarding the purchase of Bilecik Ready-mixed Concrete Facility on the 31^{st} of July 2008.

As from the 31^{st} of December 2009, the Group conducted analysis of the depreciation based on the value of the relevant cash producing unit in usage in the Betterment account. This analysis includes the primary assumptions of the Group used for estimation of the reduced cash flow in terms of TL on the financial budgets approved until 2018 and testing was conducted by taking weighted average capital cost as 13% and by increasing sale price and costs by 7%.

15. Betterment (continued)

(Currency – New Turkish Lira, unless specified otherwise)

The activity table of betterment amount regarding Çimsa Cement located in Cyprus is as follows:

Betterment	**31 December 2009**	31 December 2008
As from 1st of January	**276.638**	213.053
Conversion adjustment	**(1.207)**	63.585
	275.431	276.638

16. Provisions, conditional assets and obligations

Short term debt provisions

	31 December 2009	31 December 2008
Lawsuit provisions	**1.718.053**	1.182.274
Unused vacation payment provision	**1.639.038**	1.577.133
Other	**4.223**	127.535
	3.361.314	2.886.942

Long term debt provisions

	31 December 2009	31 December 2008
Severance incentive premium provision	**315.273**	331.444
Mine site rehabilitation expense provision	**1.532.210**	1.171.000
	1.847.483	1.502.444

The activity of unused vacation payment provisions as from the 31st of December 2009 and the 31st of December 2008 is provided below:

	31 December 2009	31 December 2008
1st of January	**1.577.133**	1.309.041
Paid vacation payment	**(204.685)**	(104.794)
Recognized as expense within the period	**266.590**	372.886
	1.639.038	1.577.133

(Currency – New Turkish Lira, unless specified otherwise)

16. Provisions, conditional assets and obligations (continued)

The activity of law suit provisions as from the 31st of December 2009 and the 31st of December 2008 is provided below:

	31 December 2009	31 December 2008
1st of January	**1.182.274**	341.607
Paid lawsuit amounts	**(687.088)**	(400.705)
Recognized as expense within the period	**1.222.867**	1.241.372
	1.718.053	1.182.274

The activity of mine site rehabilitation expense provision as from the 31st of December 2009 and the 31st of December 2008 is provided below:

	31 December 2009	31 December 2008
1st of January	**1.171.000**	535.000
Recognized as expense within the period	**361.210**	636.000
	1.532.210	1.171.000

Obligations likely to occur due to environment and land protection and land use laws

According to environment protection legislation, the Group has obligations regarding such activities as mining and cement production. All taxes, fees and capital stock payments and other obligations arising from this legislation are fulfilled by the Group. The legislation in question contains regulations regarding necessary costs required for elimination of contaminating and destructive negativities while leaving the mines. As the result of this, the Group, calculating the estimative costs of the restoration plans to meet the requirements of the legislation regarding the operated mine sites, recorded 1.532.210 TL as part of this cost corresponding to the surface area of the land opened as from the 31st of December 2009 as provision for restoration of mine sites, and it is shown in the 'Long term Debt provisions' item.

(Currency – New Turkish Lira, unless specified otherwise)

16. Provisions, conditional assets and obligations (continued)

Letter of guarantee

The tables regarding the position of the guarantees mainly given to the salesmen as from the 31st of December 2009 and the 31st of December 2008 are as follows:

	2009	**2008**
A. Total amount of guarantee/pledge/encumbrances (GPE) given on behalf of its judicial person	29.776.400	14.907.543
B. Total amount of GPE given in favor of partnerships in the scope of full consolidation	-	-
C. Total amount of GPE given in order to secure the debts of other 3rd persons for conduct of ordinary commercial activities	-	-
D. Total amount of other given GPE	-	-
i. Total amount of GPE given in favor of parent company	-	-
ii. Total amount of GPE given in favor of other Group companies not in the scope of articles B and C	-	-
iii. Total amount of GPE given in favor of 3rd persons not in the scope of article C	-	-
Total	29.776.400	14.907.543

Lawsuits

- With regard to the revenues' controller report of the tax inspection of the Company covering 2000 and 2003, the total of 23.164.298 TL tax/penalty notification consisting of 9.966.409 TL of tax issued by the Tax Office and 13.197.890 TL of tax penalty has been received by the Company on the 11th of July 2006. The revenues controller report criticized the fact that in 1999 the expense recognition of exchange rate difference, the interests of the credits used from Akbank, and the interest calculation was not conducted for receivables from Exsa. The Company management, believing that these taxes and penalties were unfair and that it would win the lawsuit, did not settle and filed lawsuit in Mersin Tax Court. As from the date of the preparation of the consolidated financial tables, the lawsuits were completed in favor of the Company. The Tax Office went for appeal against these decisions.

- The total of lawsuits filed and continuing against the Company as from the 31st of December 2009 was approximately 2.548.673 TL (31st of December 2008 – 1.856.699 TL). For the lawsuits against the Company as from the 31st of December 2009 that may not be decided in favor of the Company, 1.718,053 TL (31st of December 2008 – 1.182.274 TL) of provision was reserved in accordance with the suggestion of legal advisors.

- As from the 31st of December 2009, the Group has encumbrance on 21.812.941 TL (31st of December 2008 – 22.251.184 TL) of actives.

(Currency – New Turkish Lira, unless specified otherwise)

17. Benefits for personnel

In accordance with the existent Turkish Code of Labor, the Group is obliged to pay a certain amount of severance payment to personnel that retires or leaves the job for reasons other than resignation or bad behavior after at least one year of service. These payments are calculated in terms of 1 month salary as maximum 2.365 TL (2008 – 2.173 TL) for each year of employment (maximum severance payment was increased to 2.427 TL as from the 1st of January 2010). In the consolidated financial tables dated December 31, 2009 this obligation is reflected in the records using "Projection Method" and in the frame of actuary method and assumptions based on calculations made by a professional actuary.

The basic actuarial assumptions used for calculation of the obligation as from the balance sheet date are as follows:

	31 December 2009	31 December 2008
Discount rate	**%11**	%12
Estimated increase rate	**%4.8**	%5.4
Personnel turnover rate	**%11.81**	%10.43

The severance payment provision activity as from the 31st of December 2009 and 31st of December 2008 is presented below:

Severance payment provision	**31 December 2009**	31 December 2008
1st of January	**7.250.428**	6.632.388
Paid severance payment	**(894.731)**	(1.758.067)
Interest expense (Note 25)	**797.547**	795.887
Actuarial (profit)/loss	**(292.217)**	45.544
Amount recognized as expense within the period, net	**1.392.647**	1.534.676
End-period	**8.253.674**	7.250.428

The Company's cumulative actuarial earnings occurring as from the 31st of December 2009 and the 31st of December 2008 and not reflected in the consolidated financial tables are 51.478 TL and 462.940 TL respectively and these amounts do not exceed 10% of the net current value of severance payment obligation.

18. Other assets and obligations

a) Other liquid and fixed assets

Other current / liquid assets

	31 December 2009	31 December 2008
Export registered sale VAT	**40.002.375**	27.326.704
VAT to be refunded	**23.213.006**	19.676.523
Prepaid insurance expenses	**456.012**	695.973
Advances given to the salesmen	**371.909**	500.855
Job advances	**278.999**	1.045.825
Prepaid taxes and funds	**239.761**	4.625.418
Other various current assets	**1.003.087**	837.321
	65.565.149	54.708.619

(Currency – New Turkish Lira, unless specified otherwise)

18. Other assets and obligations (continued)

Other non-current / fixed assets

	31 December 2009	31 December 2008
Given order advances	**1.552.823**	1.641.553
Prepaid expenses	**470.947**	1.115.536
Other	**-**	29.807
	2.023.770	2.786.896

b) Other short and long term obligations:

	31 December 2009	31 December 2008
VAT expecting suspension	**39.997.207**	27.321.537
Taxes to be deducted	**23.172.357**	11.502.868
Received advances	**1.343.437**	1.400.967
Other short term obligations	**431.753**	844.356
	64.944.754	41.069.728

According to article 11/c of the VAT Law, the VAT of the goods delivered by the importers to the mediator exporters for export is not collected but recorded in the export VAT and deferrable VAT accounts. Non-collected VAT is declared in the VAT declaration of the relevant period and the accrued VAT is deferred and recorded in the accounts of VAT to be cancelled. After it is certified that the export took place, the Tax Office conducts cancellation procedure for the deferred VAT. With regard to the correction receipt issued for cancellation, the records in the accounts of the export VAT and VAT to be cancelled are transferred to each other and the deferred tax is canceled from the records.

19. Equity capital

	31 December 2009	31 December 2008
Number of ordinary shares (approved, printed and circulating) 1 Kr share value	**13.508.444.200**	13.508.444.200

(Currency – New Turkish Lira, unless specified otherwise)

19. Equity capital (continued)

As from the 31st of December 2009 and the 31st of December 2008, the Company’s partnership structure and the shares of the partners are as follows:

	31 December 2009		31 December 2008	
	Sum	**%**	Sum	%
Hacı Ömer Sabancı Holding A.Ş.	**66.765.209**	**49,43**	66.765.209	49,43
Adana Çimento San. and Tic. A.Ş.	**19.074.226**	**14,12**	19.074.226	14,12
Akçansa Çimento San. and Tic. A.Ş.	**12.130.560**	**8,98**	12.130.560	8,98
Hacı Ömer Sabancı Foundation	**146.000**	**0,11**	146.000	0,11
Other and public offering	**36.968.447**	**27,36**	36.968.447	27,36
Nominal capital total	**135.084.442**	**100,00**	135.084.442	100,00
Effect of inflation accounting application	**41.741.516**		41.741.516	
Total	**176.825.958**		176.825.958	

Growth funds

The amount of the financial assets growth funds, 66.613.728 TL, is shown in Growth funds as from the 31st of December 2009 (31st of December 2008 - 50.170.239 TL) and the fund consists of fair value differences on the assets ready for sale of Exsa and are included in the consolidation by using equity method.

Profit reserves - accumulated profit/loss

Legal reserves

In accordance with the Turkish Trade Code, legal reserve consists of primary and secondary contingency reserves. According to the Turkish Trade Code, 5% of the annual pure profit is separated as primary legal reserves until legal reserves reach 20% of the company’s historical paid capital. Secondary legal reserve is separated at 10% rate in terms of all profit distribution over 5% of the Company’s paid capital. According to the Turkish Trade Code, legal reserves may not be distributed unless they exceed 50% of the paid capital; however they may be used to cover the losses at the point when profit reserves have been used.

Publicly held companies make their profit share distributions in the way prescribed by CMB as follows:

With CMB decision № 02/51 dated 27.01.2010;

It was decided that the companies obliged to draw up consolidated financial tables shall calculate the net distributable profit amount considering the net current profits in the consolidated financial tables to be prepared and disclosed in the frame of CMB’s “Communiqué on Principles regarding Financial Reporting in Capital Market” № 29 Series: XI, and that there will be no minimum profit distribution obligation regarding dividend distribution to be conducted for publicly-held incorporated companies whose shares are traded at the exchange.

Inflation adjustments on equity capital and recorded values of the extraordinary reserves can be used in costless capital increase, cash profit distribution or deduction of losses. However, if used in cash profit distribution, equity capital inflation correction differences shall be subject to corporate taxation.

(Currency – New Turkish Lira, unless specified otherwise)

19. Equity capital (continued)

The distributable profit amount provisionable from resources in the legal records of the Company for 2009 is 89.774.014 TL. Also, there is a total of 77.903.681 TL of resources subjectable to profit distribution, consisting of 40.076.045 TL of non-distributed accumulated profit and 37.827.636 TL of real property sale profits exempted from Corporate Tax. However, according to the Corporate Tax Law, the real property sale profits may not be distributed until the end of 2012. Otherwise, unpaid corporate tax shall be paid together with tax loss penalty.

As from the 31st of December 2009 and the 31st of December 2008, the consolidated legal reserves, extraordinary reserves, accumulated profits, share premiums and other reserves in the Company's legal records are as follows:

	31 December 2009	31 December 2008
Legal reserves	**86.151.121**	81.026.017
Other Capital reserves	**34.854.007**	34.854.007
Extraordinary reserves	**40.076.045**	40.044.115
Accumulated profits due to inflation adjustment	**68.538.570**	68.538.570
Share premiums	**30.131**	30.131
Special funds	**17.984.358**	17.969.598

20. Sales and sale costs

	1 January – 31 December 2009	1 January 2008 – 31 December 2008
Sale revenues (Net)		
Domestic sales	**408.768.660**	423.004.621
Foreign sales	**241.819.799**	221.595.738
Other revenues	**268.080**	9.495
Other reductions (-)	**(32.480.511)**	(29.393.058)
Sale discounts (-)	**(3.451.197)**	(4.742.642)
	614.924.831	610.473.254

(Currency – New Turkish Lira, unless specified otherwise)

20. Sales and sale costs (continued)

	1 January – 31 December 2009	1 January – 31 December 2008
Sales cost		
Direct raw materials and materials expenses	**(66.489.783)**	(84.622.718)
Direct labor expenses	**(4.579.021)**	(4.425.498)
Redemptions and depreciation expenses	**(25.466.701)**	(45.202.711)
Other production expenses	**(295.852.397)**	(329.912.545)
Total production cost	**(392.387.902)**	(464.163.472)
Semi-finished goods change	**(21.455.795)**	15.152.890
Opening semi-finished goods	**(34.438.563)**	(19.285.673)
End-period semi-finished goods	**12.982.768**	34.438.563
Finished goods change	**(4.206.966)**	6.480.692
Opening finished goods	**(13.216.251)**	(6.735.559)
End-period finished goods	**9.009.285**	13.216.251
Costs of sold commercial goods	**(15.674.385)**	(8.179.588)
Total	**(433.725.048)**	(450.709.378)

21. Marketing, sale and distribution expenses and general management expenses

	1 January – 31 December 2009	1 January – 31 December 2008
General management expenses	**(29.788.200)**	(25.996.019)
Marketing, sale and distribution expenses	**(5.820.137)**	(8.198.826)
	(35.608.337)	(34.194.845)

General management expenses		
Personnel expenses	**(14.347.933)**	(14.003.634)
Consulting expenses	**(2.138.491)**	(1.844.922)
Depreciation expenses and redemption	**(1.855.873)**	(1.207.599)
Severance payment	**(1.100.430)**	(537.275)
Travel expenses	**(1.106.439)**	(1.178.993)
Communications and announcement expenses	**(729.931)**	(930.642)
Lease expenses	**(542.517)**	(522.676)
Taxes, duties and fees	**(507.447)**	(333.493)
Maintenance repair expenses	**(120.229)**	(177.103)
Other various expenses	**(7.338.910)**	(5.259.682)
	(29.788.200)	(25.996.019)

(Currency – New Turkish Lira, unless specified otherwise)

21. Marketing, sale and distribution expenses and general management expenses (continued)

	1 January – 31 December 2009	1 January – 31 December 2008
Marketing, sale and distribution expenses		
Personnel expenses	**(3.106.571)**	(3.001.413)
Outsourced benefits and services	**(355.096)**	(1.782.781)
Travel expenses	**(326.406)**	(237.370)
Depreciation expenses and redemption	**(162.021)**	(272.203)
Insurance expense	**(139.847)**	(182.157)
Lease expense	**(114.313)**	(141.726)
Consulting expenses	**(109.874)**	(320.234)
Other various expenses	**(1.506.009)**	(2.260.942)
	(5.820.137)	(8.198.826)

22. Research and development expenses

	1 January – 31 December 2009	1 January – 31 December 2009
Research and development expenses		
Personnel expenses	**(159.582)**	-
Consulting expenses	**(25.301)**	-
	(184.883)	-

23. Expenses according to their quality

	1 January – 31 December 2009	1 January – 31 December 2008
Depreciation and redemption expenses		
Tangible fixed assets		
Production costs	**24.390.609**	44.159.210
Other activity expenses	**3.125.357**	3.462.756
General management expenses	**1.777.453**	1.169.733
Marketing, sale and distribution expenses	**155.176**	265.919
Total depreciation expenses (Note 13)	**29.448.595**	49.057.618
Intangible fixed assets		
Production costs	**1.076.092**	1.043.501
Other activity expenses	**83.399**	56.434
General management expenses	**78.420**	37.866
Marketing, sale and distribution expenses	**6.845**	6.284
Total redemption (Note 14)	**1.244.756**	1.144.085
Personnel expenses		
Salaries and payments	**42.577.184**	37.235.088
Severance payment provision expense	**1.897.977**	2.376.107
Social Security premiums	**4.047.860**	4.435.241
	48.523.021	44.046.436

(Currency – New Turkish Lira, unless specified otherwise)

24. Revenues / (expenses) from other activities

	1 January – 31 December 2009	1 January – 31 December 2008
Other activity revenues		
Waste disposal and fly ash revenue	**5.058.684**	4.285.278
Lawsuit revenues (*)	**3.297.219**	-
Effect of estimate changes in severance incentive premium account	**-**	1.341.980
Fixed asset sale profit	**136.775**	659.387
Previous period revenue and profits	**35.420**	811.014
Mobile facility revenue	**320.140**	907.965
Other	**4.510.919**	3.500.217
	13.359.157	11.505.841

(*) The lawsuit filed by the Company in 2003 on the grounds that the mining fund paid to the state in petrokok importation is not legal, was completed in favor of the Company and the relevant amount was collected.

Other activity expenses (-)	**1 January – 31 December 2009**	1 January – 31 December 2008
Provision expenses	**(731.878)**	(1.555.033)
Idle capacity expenses	**(6.204.318)**	(5.908.171)
Fixed asset sale loss	**(203.104)**	(155.925)
Stock depreciation provision (Note 11)	**(1.111.219)**	-
Mine site rehabilitation expense	**(361.210)**	(636.000)
Aid and donations	**(3.326.407)**	(124.838)
Fixed asset depreciation provision (Note 13)	**(668.029)**	-
Other taxes and fees	**(1.198.389)**	(1.738.327)
Other	**(6.375.282)**	(5.423.861)
	(20.179.836)	(15.542.155)

25. Financial revenues / (expenses)

	1 January – 31 December 2009	1 January – 31 December 2008
Exchange difference revenue	**45.788.249**	45.551.241
Interest revenues	**1.583.455**	2.997.865
Delay interest revenues	**1.385.286**	4.381.718
Other financial revenues	**11.239**	2.616
Total financial revenues	**48.768.229**	52.933.440
Exchange difference expense	**(47.369.533)**	(80.619.520)
Interest expenses	**(9.984.579)**	(9.392.933)
Severance payment obligation interest expense	**(797.547)**	(795.887)
Other financial expenses	**(188.986)**	(226.897)
Total financial expenses	**(58.340.645)**	(91.035.237)

(Currency – New Turkish Lira, unless specified otherwise)

26. Tax asset and obligations

General information

The Group is subject to taxation within the tax regulations and laws of the country where it conducts its activities.

In Turkey, corporate tax rate is 20%. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant accounting period and is paid in a single installment by the end of the relevant month. According to tax legislation, it is paid by calculating temporary tax at the rate of 20% (2007 – 20%) in terms of earnings occurring quarterly and amounts paid in such a way so that it is deducted from taxes calculated in terms of annual profit.

In Turkey, tax legislation does not allow main and subsidiary partners to fill out consolidated tax declaration. For this reason tax provision reflected in financial tables are calculated separately on company basis.

According to the Corporate Tax Law, financial losses shown in the declaration can be deducted from the period's corporate tax assessment, provided it does not exceed 5 years. Declarations and relevant accounting records can be examined by the Tax Office within five years and tax accounts can be revised. The Group does not have any portable financial losses as from the 31st of December 2009.

Dividend payments made to the incorporated companies situated in Turkey other than those that are not responsible for corporate tax and revenue taxes and are exempted from them and dividend payments made to the real persons situated and not situated in Turkey and to the judicial persons not situated in Turkey are subject to 15% revenue tax. Dividend payments from incorporated companies situated in Turkey to incorporated companies situated in Turkey are not subject to revenue tax. Also, in the event of non-distribution of profit or its addition to the capital, revenue tax is not calculated.

The Company's reports required in the scope of "General Communiqué regarding Distribution of Concealed Gain by means of Transfer Pricing" (Series no: 1) published in November 2007 must be prepared within the period of corporate tax declaration submission. The Company has completed the studies on the reporting in question and made necessary declarations.

The revenue taxes to be paid from the 31st of December 2009 and the 31st of December 2008 are summarized below:

	31 December 2009	31 December 2008
Current year corporate tax	**(20.802.579)**	(15.657.129)
Tax prepaid within the period	**15.982.370**	20.151.362
Current period profit tax (obligation)/asset	**(4.820.209)**	4.494.233
Prepaid tax and funds (Note 18)	**239.761**	4.625.418
Current period profit tax obligation	**(5.059.970)**	(131.185)
Current period profit tax (obligation)/asset	**(4.820.209)**	4.494.233

(Currency – New Turkish Lira, unless specified otherwise)

26. Tax asset and obligations (continued)

The main components of tax expenses are as follows (including discontinued operations tax expenses):

	31 December 2009	31 December 2008
Consolidated revenue table		
Current period corporate tax	**20.802.579**	15.657.129
Postponed tax expense	**4.300.321**	55.861
Total tax expenses reflected in the consolidated revenues' table	**25.102.900**	16.712.990

Postponed tax assets and obligations

The details of postponed tax assets and obligations of the Group from the 31st of December 2009 and the 31st of December 2008 are as follows:

	Postponed tax assets		**Postponed tax obligations**		**Net**	
	31 December 2009	31 December 2008	**31 December 2009**	31 December 2008	**31 December 2009**	31 December 2008
Temporary differences on tangible assets	**4.083.377**	6.451.893	**(112.175)**	(112.175)	**3.971.202**	5.339.718
Temporary differences on intangible assets	**-**	-	**(2.494.474)**	(3.849.822)	**(2.494.474)**	(3.849.822)
Betterment	**-**	-	**(24.074.045)**	(19.156.181)	**(24.074.045)**	(19.156.181)
Stocks	**255.899**	-	**-**	(1.128.236)	**255.899**	(1.128.236)
Severance payment provisions	**1.650.735**	1.450.086	**-**	-	**1.650.735**	1.450.086
Severance incentive premium provision	**63.005**	66.289	**-**	-	**63.005**	66.289
Carrying of receivables, debts and credits from reduced values	**59.711**	269.003	**(33.456)**	(26.639)	**26.255**	242.364
Unused vacation payment provision	**327.808**	315.427	**-**	-	**327.808**	315.427
Suspicious receivable provision	**-**	14.548	**-**	-	**-**	14.548
Lawsuit provisions	**282.289**	175.133	**-**	-	**282.289**	175.133
Mine site rehabilitation expense provision	**306.442**	234.200	**-**	-	**306.442**	234.200
Other	**88.039**		**-**		**88.039**	
	7.117.355	8.976.579	**(26.714.150)**	(24.273.053)	**(19.596.795)**	(15.296.474)

Net postponed tax obligations activity table is as follows:

	31 December 2009	31 December 2008
1 January balance	**15.296.474**	15.240.613
Postponed tax expenses recorded in revenues' table	**4.300.321**	55.861
Net balance	**19.596.795**	15.296.474

Conformity between corporate tax expense found by applying tax rate to the profit before taxation and corporate tax expense shown in the consolidated revenue table for the period ended on the 31st of December 2009 and 2007:

	31 December 2009	31 December 2008
Continued operations profit before taxation	**133.235.667**	92.217.104
Valid legal corporate tax rate 20%	**(26.647.135)**	(18.443.421)
The effect of tax-exempt revenues	**469.847**	1.446.074
The effect of the profit from associate valued by equity method	**844.442**	1.757.257
The effect of legally unacceptable expenses	**(269.525)**	(175.990)
Other	**499.471**	(296.910)
	(25.102.900)	(15.712.990)

The postponed tax debt of the Group regarding its shares in the subsidiaries and business partnerships hasn't been accounted for yet and the total amount of temporary adjustments is 1.373.033 TL.

(Currency – New Turkish Lira, unless specified otherwise)

27. Earnings per share

Profit per share is obtained by dividing net profit by the weighted average number of shares existing in the market during reporting period.

Profit per share:

	31 December 2009	31 December 2008
Continued operations net profit for the period	**108.132.777**	76.504.114
Average number of shares with nominal value of 1 Kr	**13.508.444.200**	13.508.444.200
Continued operations profit per share	**0,0080**	0,0057

Distributed profit per share:

The dividend amounts per share distributed in the accounting periods ended on the 31st of December 2009 and 31st of December 2008 are as follows:

	31 December 2009	31 December 2008
Distributed dividend amount	**58.005.260**	149.943.731
Weighted Average Share Number	**13.508.444.200**	13.508.444.200
Dividend distributed per share (Kr)	**0,0043**	0,0111

As from the date of preparation of the financial tables and before completion of these consolidated financial tables there aren't any ordinary shares issued or to be issued.

28. Related parties explanations

Defining a company as related party is determined depending on the power one of the companies has over the other company or the significant impact the company has on the financial and administrative decisions of the relevant company. The Group is controlled by Hacı Ömer Sabancı Holding Inc. For consolidated financial tables, the balances of the other partners of the CSN partnership subject to joint management, and shareholder companies and financial assets of Hacı Ömer Sabancı Holding Inc. and their associates and subsidiaries and other Sabancı Group companies were shown as separate items and these companies and the senior managers of the Group were referred to as related parties.

(Currency – New Turkish Lira, unless specified otherwise)

28. Related parties explanations (continued)

During its operations the Company conducts various transactions with related parties. The outline of the balances of the related organizations as from the 31st of December 2009 and the 31st of December 2008 and the amounts and balances of transactions made with these organizations for the period ended on the 31st of December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
Receivables from associated companies (net)		
Associate		
Exsa (Çimsa associate)	**246.588**	2.173.125
Other (1)		
Karçimsa	**-**	4.760
Other	**9.743**	2.390
Rediscount of receivables from related companies (-)	**(1.965)**	(18.365)
	254.366	2.161.910

(1) Companies owned by the Company's final shareholder Sabancı Holding

	31 December 2009	31 December 2008
Debts to related companies (net)		
Partners		
Akçansa Çimento Sanayi ve Ticaret A.Ş. (Akçansa)	**578.374**	2.447
Hacı Ömer Sabancı Holding	**927**	68.723
Other		
Bimsa Uluslararası İş Bilgi ve Yönetim Sistemleri A.Ş. (Bimsa)	**257.821**	17.703
Aksigorta	**21.391**	6.780
Enerjisa	**1.802**	4.529
Avivasa	**49.339**	-
Teknosa	**23.911**	-
Other	**15.984**	1.138
	949.549	101.320
Debts to the partners (*) (Note: 10-b)	**492.657**	457.054
	492.657	457.054

(Currency – New Turkish Lira, unless specified otherwise)

28. Related parties explanations (continued)

Bank balances

Akbank T.A.Ş. (Akbank) (**)	**43.968.189**	3.311.862
	43.968.189	3.311.862

Bank credits

Akbank	**64.831.263**	60.244.486

Financial leasing – Other

Akleasing	**5.878.503**	-

(*) As from the 31st of December 2009, the entire amount consists of dividend debts.
(**) As from the 31st of December 2009, 23.000.000.TL is term deposit, the remaining amount is current deposit. As from the 31st of December 2008, the entire amount is current deposit.

(Currency – New Turkish Lira, unless specified otherwise)

28. Related parties explanations (continued)

	1 January – 31 December 2009	1 January – 31 December 2008
Sales made to related companies		
Associate		
Exsa	**11.564.119**	11.721.840
Partners		
Akçansa	**1.748.402**	2.480.537
Other		
Enerjisa	**12.922**	7.839
Other	**19.836**	170.874
	13.345.349	14.381.090
Goods and services purchases made from related companies		
Partners		
Akçansa	**3.352.658**	48.439
Sabancı Holding (Çimsa's final shareholder)	**157.195**	422.068
Other		
Enerjisa	**22.071**	28.710.844
Aksigorta	**2.950.024**	2.991.396
Bimsa	**997.349**	360.042
Avivasa Emeklilik A.Ş.	**118.403**	132.106
Other	**125.090**	90.456
	7.722.790	32.755.351
Interest revenues from related companies		
Akbank	**1.583.455**	2.397.705
	1.583.455	2.397.705
Interest expenses issued for related companies		
Akbank	**3.577.537**	4.916.761
	3.577.537	4.916.761

Payments made to senior management staff

In the current period, the total of payments and similar benefits provided to such senior management staff as the president and members of the Board of Directors, general manager, general coordinator and deputy general managers is 3.679.534 TL (31st of December 2008 – 3.188.188 TL), paid salaries are 3.547.805 TL and premiums paid to Social Security Institution are 131.729 TL. No severance payment was made to the senior management staff in 2009 and 2008.

(Currency – New Turkish Lira, unless specified otherwise)

29. The quality and level of risks caused by financial tools

Financial risk management purposes and policies

The major financial instruments of the Group consist of bank credits, cash and short term bank deposits. The main purpose of using the financial instruments is to provide fund increases for the operations of the Group and to protect the Group from the interest rate risk. The Group has financial instruments such as commercial receivables and commercial debts which occur directly as a result of the operations. The main risks arising from the use of the financial instruments are liquidity risk, foreign currency risk, market risk and credit risk. The Board of Directors is responsible for the procedures required for monitoring and managing these risks as summarized below.

Foreign currency risk

Foreign currency risk arises when the Group possesses US Dollars and Euro and other foreign currency assets and debts.

The Group also faces foreign currency risk due to the transactions it conducts. These risks arise because the Group conducts product purchases and sales in terms of currency other than the functional currency of the Group and because the Group uses bank credits in foreign currency.

In order to protect itself from the foreign currency risk arising from the use of bank credits in foreign currency, the Group balances its foreign currency assets and debts.

The following is the table of sensitivity of the Group's profit before taxation (due to changes in pecuniary assets and obligations) to the changes in the exchange rate of US Dollars, Euro and GBP:

		31 December 2009			
		TL equivalent (functional Currency)	US Dollars	EURO	GBP
1	Commercial receivables	25.502.298	6.464.769	7.294.500	4.180
	- Commercial receivables from related parties	-	-	-	-
	- Other commercial receivables	25.502.298	6.464.769	7.294.500	4.180
	Other receivables	-	-	-	-
	Stocks given order advances	-	-	-	-
2	Pecuniary financial assets (including cashier, bank accounts)	13.781.017	5.928094	1.983.925	238.244
3	Liquid assets (1+2)	39.283.315	12.392.863	9.278.425	242.424
4	Commercial debts	9.677.994	5.255.926	813.878	2.480
	- Debts to related parties	-	-	-	-
	- Other commercial debts	8.806.473	4.715.969	786.795	2.460
	Received advances	461.902	305.430	933	-
	Debt provisions	-	-	-	-
	Other short term obligations	409.619	234.527	26.150	-
5	Financial obligations	57.311.687	34.770.464	2.294.959	-
	Short term Financial debts	33.038.284	20.131.736	1.261.829	-
	Short term part of long term financial debts	24.273.403	14.638.728	1.033.130	-
	Other financial obligations	-	-	-	-
6	Short term obligations (4+5)	66.989.681	40.026.390	3.108.837	2.480
7	Commercial debts	-	-	-	-
8	Financial obligations	6.267.047	1.740.330	1.688.021	-
9	Long term obligations (7+8)	6.267.047	1.740.330	1.688.021	-
10	Total obligations (6+9)	73.256.728	41.766.720	4.796.858	2.480
11	Net foreign currency asset, obligation position (3-10)	(33.973.413)	(29.373.857)	4.481.567	239.944
12	Pecuniary items net foreign currency asset /obligation position (3-10)	(33.973.413)	(29.373.857)	4.481.567	239.944
13	Export	202.490.548	96.011.058	26.342.609	426.402
14	Import	53.836.675	23.051.363	8.854.436	-

(Currency – New Turkish Lira, unless specified otherwise)

29. The quality and level of risks caused by financial tools (continued)

					31 December 2008
		TL equivalent (functional Currency)	US Dollars	EURO	GBP
1	Commercial receivables	20.680.940	9.493.999	2.949.226	4.181
	- Commercial receivables from related parties	-	-	-	-
	- Other commercial receivables	20.680.940	9.493.999	2.949.226	4.181
	Other receivables	-	-	-	-
	Stocks given order advances	-	-	-	-
2	Pecuniary financial assets (including cashier, bank accounts)	4.444.562	1.276.684	1.170.615	3.438
3	Liquid assets (1+2)	25.125.502	10.770.683	4.119.841	7.619
4	Commercial debts	21.702.964	5.862.747	5.996.231	-
	- Debts to related parties	-	-	-	-
	- Other commercial debts	19.399.452	4.506.619	5.878.220	-
	Received advances	366.086	203.481	27.261	-
	Debt provisions	-	-	-	-
	Other short term obligations	1.937.426	1.152.647	90.750	-
5	Financial obligations	185.795.022	121.435.377	1.003.504	-
	Short term Financial debts	162.469.388	106.011.431	1.003.504	-
	Short term part of long term financial debts	23.325.634	15.423.946	-	-
	Other financial obligations	-	-	-	-
6	Short term obligations (4+5)	207.497.986	127.298.124	6.999.735	-
7	Commercial debts	-	-	-	-
8	Financial obligations	24.267.245	16.046.581	-	-
9	Long term obligations (7+8)	24.267.245	16.046.581	-	-
10	Total obligations (6+9)	231.765.231	143.344.705	6.999.735	-
11	Net foreign currency asset, obligation position (3-10)	(206.639.729)	(132.574.022)	(2.879.894)	7.619
12	Pecuniary items net foreign currency asset /obligation position (3-10)	(206.639.729)	(132.574.022)	(2.879.894)	7.619
13	Export	165.569.784	60.478.569	33.654.028	910.919
14	Import	93.767.341	53.261.930	6.174.946	-

(Currency – New Turkish Lira, unless specified otherwise)

29. The quality and level of risks caused by financial tools (continued)

The following tables show the impact of the 10% loss in value of TL on the profit level before taxation:

As from 31st of December 2009,

	Profit/loss		Equity	
	Foreign currency appreciation	**Foreign currency depreciation**	**Foreign currency appreciation**	**Foreign currency depreciation**
In case US Dollars is valued 10% against TL				
1- US Dollars net asset obligation	(4.422.822)	4.422.822	-	-
2- Part protected from US Dollars risk (-)	-	-	-	-
3- US Dollars net effect	(4.422.822)	4.422.822	**-**	**-**
In case Euro is valued 10% against TL				
1- Euro net asset obligation	(968.753)	968.753	-	-
2- Part protected from Euro risk (-)	-	-	-	-
3- Euro net effect	(968.753)	968.753	**-**	**-**
In case GBP is valued 10% against TL				
1- Other foreign currency net asset obligation	57.327	(57.327)	-	-
2- Part protected from other foreign currency risk (-)	-	-	-	-
3- Other foreign currency net effect	57.327	(57.327)	**-**	**-**

As from 31st of December 2007,

	Profit/loss		Equity	
	Foreign currency appreciation	**Foreign currency depreciation**	**Foreign currency appreciation**	**Foreign currency depreciation**
In case US Dollars is valued 10% against TL				
1- US Dollars net asset obligation	(20.049.169)	20.049.169	-	-
2- Part protected from US Dollars risk (-)	-	-	-	-
3- US Dollars net effect	**(20.049.169)**	**20.049.169**	**-**	**-**
In case Euro is valued 10% against TL				
1- Euro net asset obligation	(616.528)	616.528	-	-
2- Part protected from Euro risk (-)	-	-	-	-
3- Euro net effect	**(616.528)**	**616.528**	**-**	**-**
In case GBP is valued 10% against TL				
1- Other foreign currency net asset obligation	1.724	(1.724)	-	-
2- Part protected from other foreign currency risk (-)	-	-	-	-
3- Other foreign currency net effect	**1.724**	**(1.724)**	**-**	**-**

Interest rate risk

The Group is also vulnerable to interest rate risk arising from the impact of change of the interest rates that the interest rated assets and obligations are subject to. The Company manages this risk by natural means of balancing the assets and obligations sensitive to interest rate.

Interest position table is as follows:

	31 December 2009	31 December 2008
Financial instruments with fixed interest		
Financial obligations	**76.219.998**	82.581.159
Financial instruments with varying interest		
Financial obligations	**36.436.537**	127.481.108

(Currency – New Turkish Lira, unless specified otherwise)

29. The quality and level of risks caused by financial tools (continued)

The following table shows the effect of 0,005 increases in interest rate on the credits with varying interests at the level of profit before taxation.

	Profit/loss before taxation	
	31 December 2009	31 December 2008
In case US Dollars interest is realized 0,005 higher/lower and all other variables remain intact		
1- Risk amount	**182.183**	637.406
2- Part protected from risk (-)		
Net effect	**182.183**	637.406

Credit risk

Credit risk is a risk arising when one of the parties involved in an interrelation faces financial loss due to other party's inability to fulfill its obligations regarding a financial tool. The Group tries to manage the credit risk by limiting the transactions conducted with certain parties and by constantly evaluating the credibility of the parties it is involved with.

The Group tries to manage the credit risk by spreading the sale activities to a wide area avoiding unwanted concentration on certain persons or groups in a certain sector or region. The Group also requests guarantees from the customers when it deems it necessary. The Company's maximum credit risk amount is as much as the carrying value of the financial assets carried in the consolidated financial tables.

As from 31st of December 2009				**Receivables**		**Deposits**		
	Commercial receivables		**Other receivables**		**Bank deposits**			
	Related party	**Other Party**	**Related party**	**Other party**	**Related party**	**Other party**	**Derivative instruments**	**Other**
Maximum credit risk faced from the reporting date (A+B+C+D+E) (1)	254.366	103.137.815	-	1.594.814	43.968.189	7.120.692	-	-
- The part of the maximum risk secured by guarantee etc. (2)	-	57.459.221	-	-	-	-	-	-
								-
A. Net Book value of the financial assets that are not overdue or impaired	155.633	96.335.462	-	1.594.814	43.968.189	7.120.692	-	-
B. Book value of financial assets that are renegotiated otherwise will be considered overdue or impaired	-	-	-	-	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired	98.733	6.358.246	-	-	-	-	-	-
- The part secured by guarantee etc.	-	3.668.288	-	-	-	-	-	-
D. Net book values of the impaired assets	-	444.107	-	-	-	-	-	-
-Overdue (gross book value)	-	2.112.891	-	-	-	-	-	-
-Depreciation (-)	-	(1.668.784)	-	-	-	-	-	-
-Part of the net value secured by guarantee etc.	-	-	-	-	-	-	-	-
-Not overdue (gross book value)	-	-	-	-	-	-	-	-
-Depreciation (-)	-	-	-	-	-	-	-	-
- Part of the net value secured by guarantee etc.	-	444.107	-	-	-	-	-	-
E. Factors containing credit risk outside the balance sheet	-	-	-	-	-	-	-	-

(1) Received guarantees and factors providing increase in credibility were not taken into account in determination of the amount.
(2) Guarantees consist of guarantee promissory notes, guarantee checks and encumbrances received from the customers. The relevant part of the guarantee meeting the relevant risk is taken into account.
(3) There haven't been any problems with collection from these customers in the past.

(Currency – New Turkish Lira, unless specified otherwise)

29. The quality and level of risks caused by financial tools (continued)

As from 31st of December 2008	Receivables				Deposits			
	Commercial receivables		Other receivables		Bank deposits			
	Related party	Other Party	Related party	Other party	Related party	Other party	Derivative instruments	Other
Maximum credit risk faced from the reporting date (A+B+C+D+E) (1)	2.161.910	115.478.699	-	1.006.167	3.342.951	6.256.940	-	-
- The part of the maximum risk secured by guarantee etc. (2)	-	17.015.964	-				-	-
								-
A. Net Book value of the financial assets that are not overdue or impaired	2.161.910	103.119.237	-	1.006.167	3.342.951	6.256.940	-	-
B. Book value of financial assets that are renegotiated otherwise will be considered overdue or impaired	-	-	-	-	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired	-	11.950.315	-	-	-	-	-	-
- The part secured by guarantee etc.	-	2.928.558	-	-	-	-	-	-
D. Net book values of the impaired assets	-	409.147	-	-	-	-	-	-
-Overdue (gross book value)	-	1.962.427	-	-	-	-	-	-
-Depreciation (-)	-	(1.553.280)	-	-	-	-	-	-
-Part of the net value secured by guarantee etc.	-		-	-	-	-	-	-
-Not overdue (gross book value)	-		-	-	-	-	-	-
-Depreciation (-)	-		-	-	-	-	-	-
- Part of the net value secured by guarantee etc.	-	409.147	-	-	-	-	-	-
E. Factors containing credit risk outside the balance sheet	-		-	-	-	-	-	-

(1) Received guarantees and factors providing increase in credibility were not taken into account in determination of the amount.
(2) Guarantees consist of guarantee promissory notes, guarantee checks and encumbrances received from the customers. The relevant part of the guarantee meeting the relevant risk is taken into account.
(3) There haven't been any problems with collection from these customers in the past.

Liquidity risk

Cautious liquidity risk management means keeping a sufficient amount of cash and securities and a sufficient amount of credit transactions and the usability of funding resources and the ability to close the market positions.
The risk of funding current and future possible debt requirements is managed by maintaining the accessibility of a sufficient number and high quality level of credit providers.

The fraction of financial asset and obligations according to their due dates is shown, taking the period between the date of the balance sheet and the due date into consideration.

As from the 31st of December 2009

Due dates according to contracts	Book value	Cash outputs total according to contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial obligations						
Bank credits	112.656.535	116.128.747	16.365.513	93.133.354	6.629.880	-
Commercial debts	46.503.204	46.670.486	46.670.486	-	-	-
Other debts	3.966.267	3.966.267	3.966.267	-	-	-

As from the 31st of December 2008

Due dates according to contracts	Book value	Cash outputs total according to contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial obligations						
Bank credits	210.602.449	218.950.280	3.085.092	190.436.831	25.428.357	-
Commercial debts	41.168.486	41.301.685	41.301.685	-	-	-
Other debts	6.046.721	6.046.721	6.046.721	-	-	-

29. The quality and level of risks caused by financial tools (continued)

(Currency – New Turkish Lira, unless specified otherwise)

Capital management

The Group tries to ensure the continuity of its operations, and by using the debt and equity capital balance in the most efficient way, the Group manages the cash and commercial receivables obtained from operations and the financial and commercial debts by conducting an examination of their due periods. Together with the Group's capital cost, the risks associated with each capital class are evaluated by the senior management of the Group and then they are presented to the Board of Directors for evaluation. The Group aims at keeping the capital structure in balance by new debts or repayment of existing debts, as well as by means of dividend payments, based on the evaluations of the senior management and the Board of Directors.

In capital management, the Company monitors the debt capital rate in parallel with other companies in the sector. This rate is obtained by dividing net debt by total capital.

	31 December 2009	31 December 2008
Total debts	**267.640.619**	326.112.482
Minus: Cash and cash equivalents values (Note 6)	**(51.088.881)**	(9.599.891)
Net debt	**216.551.738**	316.512.591
Total equity capital	**932.100.768**	758.908.440
Total net debt and equity capital	**1.148.652.506**	1.075.421.031
Net debt/total net debt and equity capital rate	**0,19**	0,29

30. Financial instruments (realistic explanations and explanations in the frame of hedge accounting)

The Company determined the estimative fair values of the financial instruments using readily existing market information and appropriate valuation methods. However, estimation of fair values by evaluation of market information requires interpretation and reasoning. Consequently, estimates presented here may not be the indicator of the amounts to be obtained by the Company at a current market transaction.

The fair values of the financial assets and obligations carried with the cost in financial tables or discounted cost calculated with effective interest method:

Financial assets - Since they are short term and subject to insignificant credit risk, the carrying values of the cash and cash equivalent assets and issued interests and other financial assets are considered to be close to their fair value. It is considered that the carrying values of commercial receivables after suspicious receivables provision is deducted are close to their fair values.

30. Financial instruments (realistic explanations and explanations in the frame of hedge accounting) (continued)

Financial obligations - Since commercial debts and other financial obligations are short term, it is considered that their fair values approach their carrying values. Bank credits are expressed with discounted cost, and transaction costs are added to the first cost of the credit. Since the related interest rates are updated taking into account changing market conditions, it is considered that the fair values of the credits mean their carrying value. It is considered that the fair value of the long term bank credits with fixed interest, when evaluated in terms of the fixed interest rate valid from the date of the balance sheet, are close to the carrying value. Since due period of the short term credits are short, it is assumed that their carrying values reflect the fair value.

Presenting realistic value

As from the 31st of December 2009, the Group does not have any assets and obligations reflected in the consolidated financial tables with their realistic value.

31. Events after the Balance sheet date

The subjects of putting the Akbank shares of Exsa's portfolio as capital contribution to Hacı Ömer Sabancı Holding Inc by means of partial division and in exchange, by making Hacı Ömer Sabancı Holding Inc placed capital increase, giving the shares representing increased capital to other partners of Exsa other than Hacı Ömer Sabancı Holding Inc have been approved at the Extraordinary General Assembly dated the 4th of January 2010; 57.102.763 TL of 140.403.931 TL of nominal value shares corresponding to the increased capital was announced to be given to Exsa's partners, other than Hacı Ömer Sabancı Holding; Exsa's share with nominal value of 1TL was exchanged for 0,55985982 of Sabancı Holding share with nominal value of 1 TL. The Company's right for receiving bonus share with nominal value of 21.534.308,387 TL from increased capital was dematerialized on the 14th of January 2010 in the scope of regulations regarding inventory system and was recorded to the account opened at the Central Registry Organization. With this share purchase, the Company's share in the capital of Hacı Ömer Sabancı Holding Inc became 1.0554%.

On the 9th of February 2010, the Company purchased 60% (sixty per cent) of the shares of the MED.CON Srl company, which has 4.054.545,00 Euro capital, is registered at Trieste Registry with Company Registry No. 00119610327 and is located at Trieste, Riva Alvise Cadamosto 8 Italy, for 3.528.314,00 Euro. The MED.CON Srl company has strategic significance in access to white cement markets and customers and provides sustainability and competition advantage. The company is established in Italy's Trieste port according to Italian laws and has a cement terminal, enabling growth opportunities on developing markets in order to be established as a regional grey cement producer.