



ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.

**SERIAL NO: II
INTERIM ACTIVITY REPORT OF THE
BOARD OF DIRECTORS
PREPARED IN ACCORDANCE WITH
COMMUNIQUE NO. 14.1**

01 JANUARY 2013 - 30 JUNE 2013

**BOARD OF DIRECTORS
INTERIM ACTIVITY REPORT**

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Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi
To Board of Directors

We have been assigned to review whether the financial information provided in the interim activity report as of 30 June 2013 by Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi is consistent with the examined interim consolidated financial statements. The interim Activity Report which is the subject of this report is in responsibility of Company management. As an institution conducting independent audits, the responsibility that we possess is to announce the achieved result on whether the financial information provided in the interim activity report is consistent with the independently reviewed interim consolidated financial statements and explanatory notes which are the subject of the audit report dated 21 August 2013.

The audit has been carried out in accordance with regulations of Communiqué on Principles for Financial Reporting in Capital Markets. These regulations includes the audit on whether the financial information provided in the interim activity report is consistent with the independently reviewed interim consolidated financial statements and explanatory notes. As the scope of one audit is narrower than an audit performed within independent audit standards issued by the Capital Market Board, the audit does not provide any assurance on revealing all essential points to be conscious of in an independent review. Therefore, no independent audit opinion has been expressed as a result of our examination.

In consequence of our audit, no point has been discovered regarding inconsistency, in all important aspects, between the financial information provided in the attached interim activity report and the independently reviewed interim consolidated financial statements and explanatory notes.

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

Ferzan Ülgen, SMMM
Responsible Partner, Chief Auditor

21 August 2013
Istanbul, Turkey

1- GENERAL INFORMATION

1.1 **Accounting Period of the Report:** 01 January 2013 -30 June 2013

1.2 **Company trade name** : Çimsa Çimento Sanayi ve Ticaret A.Ş.
Company trade register number : Istanbul Registry of Commerce,
708500
Company website : www.cimsa.com.tr

1.3 Capital:

The company is subject to registered capital system with the registered capital ceiling at 200,000,000 TL. The paid in capital is 135,084,442 TL.

1.4 Shreholder Structure:

SHAREHOLDER & ADDRESS	SHARE RATIO %	SHARE AMOUNT (TL)	NUMBER OF SHARES
HACI ÖMER SABANCI HOLDİNG AŞ Sabancı Center Kule II Kat:22-26 4.Levent 34330 / ISTANBUL	49.42	66,765,208	6,676,520,873
ABERDEEN ASSET MANAGERS LIMITED 10 Queen`s Terrace, Aberdeen, UK, AB10 1YG	14.71	19,840,122	1,984,012,200
AKÇANSA ÇİMENTO SANAYİ A.Ş. Kısıklı Cad. No:38 Altunizade-Üsküdar / ISTANBUL	8.98	12,130,560	1,213,056,000
ADANA ÇİMENTO SANAYİ T.A.Ş. Ceyhan Yolu Üzeri P.K.10 ADANA	5.11	6,908,993	690,899,300
HACI ÖMER SABANCI VAKFI Sabancı Center 4.Levent 34330 / ISTANBUL	0.11	150,000	15,000,000
Public Portion	21.67	29,289,559	2,928,955,827
TOTAL AMOUNT	100.00	135,084,442	13,508,444,200

1.5 Privileged Shares and Voting Rights:

None.

1- GENERAL INFORMATION (cont.)

1.6 Board of Directors:

Mehmet GÖÇMEN	Chairman
Mustafa Nedim BOZFAKIOĞLU	Vice Chairman
Serra SABANCI	Member
Seyfettin Ata KÖSEOĞLU	Member
Hasan Cihat ERBAŞOL	(Independent Member)
Mehmet KAHYA	(Independent Member)

Chairman Mr. Mehmet GÖÇMEN and Vice Chairman Mr. Mustafa Nedim BOZFAKIOĞLU act as executive members in the Board of Directors.

As stated in the Company Articles of Association, the Board of Directors consists of six members elected in accordance with Turkish Commercial Code and Capital Market Law. There are two independent members among those elected in the General Meeting of Shareholders.

In the Ordinary General Meeting held on 24 April 2012, Board members were re-elected and their term of office was designated as three years until the Ordinary General Meeting in 2015 where activity results of 2014 will be discussed.

Pursuant to Article 25 of the Law on Enforcement and Mode of Administration of Turkish Commercial Code (TTK) No. 6103, a re-election was held in the Board meetings that took place on 21.09.2012 and 24.09.2012 for memberships due to resignation of natural persons who were elected as representatives of Hacı Ömer Sabancı Holding A.Ş. Although the newly elected members were the same individuals who left their posts, it was decided that the result was to be submitted for approval of the next General Meeting of Shareholders pursuant to Article 363 of TTK. Board Memberships of the same elected individuals were approved in the Ordinary General Meeting held on 27.03.2013.

Pursuant to Article 366 of Turkish Commercial Code (TTK), Mehmet GÖÇMEN was re-elected as Chairman and Mustafa Nedim BOZFAKIOĞLU as Vice Chairman in the Board meeting held on 27 March 2013.

Chairman and Members of the Board are vested with the duties and authorities designated in the Company Articles of Association and in respective articles of Capital Market Law and Turkish Commercial Code.

Board Members

Mehmet GÖÇMEN

Chairman

Born in 1957, Mehmet Göçmen took his Master's Degree on Industrial Engineering and Operations Research at Syracuse University after studying at Galatasaray High School and receiving Bachelor's Degree in Industrial Engineering at METU. He began his working life in 1983 at Çelik Halat ve Tel San. A.Ş. after which he served as the General Manager at Lafarge Ekmel Beton A.Ş. in 1996-2002 and as Vice President at Lafarge Turkey Business Development and Foreign Affairs. He started working as General Manager at Akçansa in June 2003 and was appointed to Head of Sabancı Holding Human Resources Group on 01.08.2008 and to Head of Sabancı Holding Cement Group on 20.07.2009. As of 15.09.2004, he has been elected as a Board Member of Çimsa Çimento Sanayi ve Ticaret A.Ş.



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1- GENERAL INFORMATION (cont.)

1.6 Board of Directors (cont.)

Board Members (cont.)

**Mustafa Nedim BOZFAKIOĞLU
Vice Chairman**

Born in Tarsus in 1950, M. Nedim Bozfakioğlu graduated from the Faculty of Economics at Istanbul University in 1972. He served as the Finance Manager and Vice Manager of Financial Affairs at Lassa and Kordsa. Having worked as the Head of Budget, Accounting & Consolidation Department, Mr. Bozfakioğlu currently serves as the Secretary General at Sabancı Holding. As of 26.04.2004, he has been elected as a Board Member of Çimsa Çimento Sanayi ve Ticaret A.Ş.

**Serra SABANCI
Member**

Born in Adana in 1975, Serra Sabancı finished her higher education at Portsmouth University and Department of Economics at Istanbul Bilgi University where she graduated ranking first in her class. Having served at Temsa, Serra Sabancı studied on Company Acquisition and Board Memberships at Institute of Directors in London. Serra Sabancı currently serves as a Board Member at Sabancı Holding and various group companies and as a Member of the Board of Trustees at Sabancı Foundation. As of 18.12.2009, she has been elected as a Board Member of Çimsa Çimento Sanayi ve Ticaret A.Ş.

**Seyfettin Ata KÖSEOĞLU
Member**

Born in Akşehir in 1960, Ata Köseoğlu graduated from the Department of Mechanical Engineering at Boğaziçi University. Then, he finished his Master's Degree at Lehigh University and received an M.B.A at Boston University. Having started his banking career at İktisat Bank, Mr. Köseoğlu respectively worked at Finansbank, Bear Stearns, Societe Generale Investment Bank, Credit Suisse First Boston Bank, and BNP Baribas/TEB. On 1 July 2011, he began serving as Head of Strategy and Business Development Group at Sabancı Holding. As of 15.08.2011, he has been elected as a Board Member of Çimsa Çimento Sanayi ve Ticaret A.Ş.

**Hasan Cihat ERBAŞOL
Independent Member**

He was born in Istanbul in 1944. Having graduated from Darüşşafaka High School in 1962, Mr. Erbaşol finished Washingtonpark High School - Racine / Wisconsin in 1963 and Faculty of Law at Istanbul University in 1967. Mr. Erbaşol began his professional life as a lawyer at Marshall Boya Sanayii and then worked as a Legal Advisor at Man Kamyon Sanayii, at Kordsa - Lassa (Brisa) - Beksa under Sabancı Holding and as Head Sabancı Holding's Law Department. He has been working freelance since 2000 and provides legal counselling. As of 24.04.2012, he has been elected as a Board Member of Çimsa Çimento Sanayi ve Ticaret A.Ş.



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1- GENERAL INFORMATION (cont.)

1.6 Board of Directors (cont.)

Board Members (cont.)

Mehmet KAHYA

Independent Member

He studied Chemical Engineering and Economics at Yale University and received MBA on Finance, Marketing and Operations Research at Kellogg Graduate School of Management. He served as Management Services Chief at Sasa and as President at MKM International and Sibermetik. He worked respectively as Vice Manager of Sabancı Group Automotive Group, Temsa Vice President and President, and as Vice President of Toyotosa as well as serving as a Member of Sabancı Holding Planning and Steering Committee and as a Member of the Board of Directors at Temsa, Toyotosa, Sasa, and Sapeksa. He also served as Managing Director and Vice Chairman of the Board at Carnaud Metalbox, as President of Uzel Makine and Member of the Executive Board at Uzel Holding, as DYO General Manager and Vice Chairman of the Paint Group, as Member of the Executive Board at Sarten Ambalaj, as Vice Chairman of the Board at Gierlings Velpor, and as President of Assan Alüminyum. As founder of Kronos, he provides counseling on strategy, reorganization, and return on profitability, growth, acquisition and merger processes. He is an Independent Member on the Boards of Directors at Yaşar Holding, Altinyunus, DYO, Viking Kâğıt; Head of the Risk and Audit Committee at Yaşar Holding and also on Management and Executive Boards at Viko and Kalibre Boru. As of 24.04.2012, he has been elected as a Board Member of Çimsa Çimento Sanayi ve Ticaret A.Ş.

1.7 Board of Auditors:

Pursuant to Provisional Article No. 6 of TTK, the term of office ended for members of the company's Board of Auditors Mr. İlker YILDIRIM and Ms. Nur ŞENOL as of the Ordinary General Meeting held on 27 March 2013.

With respect to appointment of an Auditor under Article No. 399 TTK and in accordance with principles designated pursuant to Turkish Commercial Code No. 6102 and Capital Market Law No. 6362 submitted to the General Meeting of Shareholders with recommendation from the Board of Auditors and proposal of the Board of Directors; it was approved by the Ordinary General Meeting on 27 March 2013 that Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Ernst & Young) based in Istanbul is to be hired for auditing the financial reports of our company in 2013 operating period and for performing other activities under relevant regulations in said laws.

1.8 Senior Executives:

Mehmet HACIKAMİLOĞLU	General Manager
Mustafa Turan METİN	Vice General Manager (Finance)
Nevra ÖZHATAY	Vice General Manager (White Cement and Specialty Products)
Hüseyin ÖZKAN	Vice General Manager (Domestic Sales)
Tamer DENİZCİ	Vice General Manager (Supply Chain)
Şahap SARIER	Vice General Manager (Cement Production)
Bilgen ÇAĞLI	Vice General Manager (Corp. Development & Human Resources)
Ülkü ÖZCAN	Director of Strategy & Marketing



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1- GENERAL INFORMATION (cont.)

1.8 Senior Executives: (cont.)

**Mehmet HACIKAMILOĞLU
General Manager**

Having completed his undergraduate studies at Department of Civil Engineering at Boğaziçi University, Mr. Mehmet Hacıkamiloğlu then finished International Business Expertise program at Istanbul University and Executive-MBA at Sabancı University. Mr. Hacıkamiloğlu began his service at Sabancı Group as Facility Manager at Betonsa and continued his career at Sabancı Group as Investment and Planning Specialist under the same company. Having acted as Director of Strategy Development & Planning at Akçansa in 1997 - 1999 and as Company Manager at Agregasa in 1999 - 2001, Mr. Hacıkamiloğlu began working as Vice General Manager (Financial and Administrative Affairs) at Çimsa after his two-year tenure at Akçansa as Finance Coordinator. He was appointed as General Mager to Çimsa on 01.07.2006 and still holds his post.

**Mustafa Turan METİN
Vice General Manager
(Finance)**

After studying Business as an undergraduate degree at Istanbul University, Mr. Metin received his Master's Degree on Business and began his career at Çukurova Rulman Ltd.Şti. in 1980-1983. He worked as a Budget and Planning Specialist at Mensa A.Ş. in 1984. In 1984-1991, Mr. Metin initially started working at Temsa Global San. Tic. A.Ş. as Vice Manager of Budget and Finance and later served as Manager of Budget and Finance in the same company in 1991-1998, as Director of Financial Affairs in 1998-2005, and as Director of Supply Chains in 2005-2009. In 2010-2012, Mustafa Turan Metin was appointed to Bossa San. Tic. A.Ş. as a Financial Advisor and took on the task of Vice General Manager of Financial Affairs in the same company in 2012-2013. Mr. Metin has taken on the duty of Vice General Manager of Çimsa Finans as of 27.06.2013

**Nevra ÖZHATAY
Vice General Manager
(White Cement and Specialty Products)**

After his undergraduate study on Business at Boğaziçi University, Nevra Özhatay got an MBA at Exeter University in England and began working at Sabancı Holding Cement Group in 1994 as a Financial Expert and Talent Pool candidate. Ms. Özhatay worked as Management Support Specialist at Akçansa in 1996 and was appointed to Strategy & Business Development Specialist in 1998, Planning and Control Manager in 2000, Strategy & Business Development Manager in 2004, and to Director of Logistics, Strategy & Business Development in 2008. Ms. Özhatay has taken on the duty of Vice General Manager of Financial Affairs at Çimsa as of 01.01.2009. Ms. Özhatay was appointed to Vice General Manager of White Cement and Specialty Products to be effective as of 1 June 2013.



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1- GENERAL INFORMATION (cont.)

1.8 Senior Executives: (cont.)

**Hüseyin ÖZKAN
Vice General Manager
(Domestic Sales)**

Having graduated from department of Economics at METU, Mr. Hüseyin Özkan began his working life in 1983 as Marketing Chief at Exsa Export A.Ş. Mr. Özkan started working at Çimsa Çimento in 1986 and then respectively served as Domestic & Foreign Trade Chief. He acted as Vice General Manager of Marketing & Sales in 1999 - 2010 and was appointed to Vice General Manager of domestic sales on 01.01.2011. Due to retirement, Mr. Özkan left his post in our Company on 05.07.2013 and continues to serve our Company as an advisor as of said date.

**Tamer DENİZCİ
Vice General Manager
(Supply Chain)**

Mr. Tamer Denizci began his business career as Financial Affairs Chief at Dusa Endüstriyel Sanayi and after 4 years of experience under Dusa he worked as Manager of Financial and Administrative Affairs at Yes International A.Ş. in 1992 - 1994. He worked as Exports and Sales Director at Lafarge Aslan Çimento following his position as Manager of Financial Affairs at Lafarge Beton A.Ş. where he began working in 1994. Mr. Denizci started working as Vice General Manager of Financial Affairs at Çimsa in 2006 and currently serves as Vice General Manager of Purchasing and Logistics. Denizci is a graduate of Management Engineering at ITU.

**Şahap SARIER
Vice General Manager
(Cement Production)**

After studying Civil Engineering at Dokuz Eylül University, Şahap Sarier began his career in 1995 as Field Engineer at Betonsa. Having continued his career as Operations Chief in 1995 - 1997, Mr. Sarier served as Regional Manager at Akçansa Hazır Beton in 1998 - 2004 and acted as Operations Manager at Karçimsa A.Ş. for 2 years in the following period. In 2006, Mr. Sarier began working as Vice General Manager of Ready Mix Concrete at Çimsa and was appointed to Vice General Manager of Cement production on 01.01.2011. Sarier received an Executive MBA at Sabancı University.

**Bilgen ÇAĞLI
Vice General Manager
(Corporate Development & Human Resources)**

Bilgen Çağlı graduated from department of Psychology at Middle East Technical University in 1993 and did her Master's Degree on Business at Istanbul University. Her career began in 1993 when she started to work as a Human Resources & Corporate Communication Specialist at Ankara University. Continuing her career as Human Resources Manager in 1998-2003 at Akkök Şirketler Grubu, Ms. Çağlı worked as Human Resources Manager of Vestel Companies at Zorlu Group in 2003-2007 and served as Human Resources Director for 4 years at Anel Group in the following period. Ms. Çağlı took on the position of Human Resources Director at Erdemir Group in 2011-2013. She acts as a Vice Manager (CDHR) at Çimsa since 27.05.2013.



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1- GENERAL INFORMATION (cont.)

1.8 Senior Executives: (cont.)

Ülkü ÖZCAN

Director of Strategy & Marketing

Having graduated from Galatasaray High School and Department of Business (English) at Marmara University, Ülkü Özcan began her career under Lafarge Turkey in 1999. She served respectively as Strategic Planning Specialist in 1999 - 2003, as Manager of Strategy & Business Development in 2003 - 2005, and as Manager of Marketing Projects in 2005 - 2007. Ms. Özcan joined Çimsa Çimento in January 2010 as Strategy & Business Development Manager and serves as Director of Strategy & Marketing since 1 April 2013.

1.9 Restraint of Transaction and Competition with Company:

During the period, Board Members have not performed any actions that may be categorized as carrying out transactions with or competing against the company.

2- CORPORATE GOVERNANCE COMPLIANCE REPORT

2.1 Corporate Governance Compliance Statement:

In the 1 January 2013 - 30 June 2013 accounting period, our company has exercised due diligence in implementation of principles set out in "Corporate Governance Guidelines" issued by the Capital Market Board (SPK) and extensive information on Corporate Governance Compliance Report has been included in the detailed annual reports.

3- COMPANY ACTIVITIES AND KEY DEVELOPMENTS ON OPERATIONS

3.1 Partnership, Subsidiaries & Long Term Securities:

Company	Place of Business	Share ratio (%)
Çimsa Mersin Serbest Bölge Şubesi	Mersin	100.00
Cimsa Cementos Espana, S.A.U.	Spain	100.00
OOO Cimsa Rus CTK	Russia	100.00
Çimsa Cement Free - Zone Limited	TRNC	99.99
CIMSAROM Marketing Distributie S.R.L.	Romania	99.99
Cimsa Adriatico Srl	Italy	70.00
Cement Sales North GmbH (CSN)	Germany	50.00
Afyon Çimento Sanayi Türk Anonim Şirketi	Turkey	51.00
Exsa Export San.Man.Sat.ve Arş.A.Ş	Turkey	32.88
Mesbaş Mersin Serbest Böl.İşl.A.Ş.(Mesbaş)	Turkey	0.41
Anfaş Antalya Fuarçılık A.Ş.(Anfaş)	Turkey	0.02



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3- COMPANY ACTIVITIES AND KEY DEVELOPMENTS ON OPERATIONS (cont.)

3.2 The Company's Own Shares Acquired:

Our Company did not acquire its own shares in 01 January 2013 - 30 June 2013.

3.3 Lawsuits against the Company and Lawsuits with Possible Financial Impact on Company:

There have been no lawsuits filed against the Company in 01 January 2013 - 30 June 2013 that may have possible financial impact.

3.4 Administrative or Legal Sanctions Imposed Upon Members of the Managing Body and Company Due to Practices Against Legislation Provisions:

There have been no administrative or legal sanctions imposed upon members of the managing body and company due to practices against Legislation provisions in 01 January 2013 - 30 June 2013.

3.5 Ordinary/Extraordinary General Meetings within the Period:

Ordinary General Meeting for the year 2012 was held on 27 March 2012. Results of the meeting were recorded on 01 April 2013 and declared on Turkish Trade Registry Gazette on 05 April 2013. Results of the Ordinary General Meeting were issued on Public Disclosure Platform (KAP), our company website (www.cimsa.com.tr) and on our Company page on the information portal of Central Registry Agency (MKK).

No Ordinary General Meetings were held in 01 January 2013 – 30 June 2013.

3.6 Donations Made in the Period:

In 01 January 2013 – 30 June 2013, a cash donation of 10,000,000.000 TL was made to Sabancı University. A cash and kind donation of 53,356.00 TL was made to various public institutions and organizations which amounts to 10,053,356.00 TL of donation in cash and kind.



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4- FINANCIAL POSITION

4.1 Measures Considered for Improving the Company's Financial Structure:

Under the current market conditions, Çimsa conducts action plans aimed for active-operating capital management, and makes profit-increasing, cost-reducing infrastructure & marketing investments and studies. The company manages its financial structure in accordance with procedures by planning current TL and currency inflows and necessities.

4.2 Key Financial Ratios:

	Consolidated 30.06.2013	Consolidated 31.12.2012
Net Working Capital = Current Assets - Current Liabilities	92,204,839	(-)37.970.118
I-Liquidity Rates:		
1-Current Ratio = Current Assets / Short-Term Liabilities	1.31	0.90
2-Liquidity Ratio = $\frac{\text{Current Assets} - \text{Stocks} - \text{Prepaid Expenses} - \text{Assets Related to Current Tax}}{\text{Current Assets} / \text{Short-Term Liabilities}}$	0.94	0.58
II-Financial Structure Rates:		
1-Total Liabilities / Shareholders' Equity	0.38	0.52
2-Short-Term Liabilities / Total Assets	0.21	0.24
-Long-Term Liabilities / Total Assets	0.07	0.11
III-Profitability Rates:		
1-Net Profit for the Period / Net Sales	0.46	0.13
2-Net Profit for the Period / Total Assets	0.15	0.07
3-Net Profit for the Period / Shareholders' Equity	0.21	0.11

4.3 Sales:

In the period 1 January 2013 - 30 June 2013, domestic sales turnover increased by 22% compared to same period of the previous year and amounted to 334 million TL. Overseas sales turnover increased by 9% and amounted to 135 million TL.



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5- RISKS AND BOARD EVALUATION

5.1 Risk Management Policy Available for the Company to be Implemented against Perceived Risks:

Financing of needs for the company's investment and working capital is met through short and medium-long term exports and Turkish Lira & foreign currency loans.

Any exchange risks to stem from foreign-currency based loans are automatically eliminated with export revenues. Appropriate financial instruments are being evaluated in addition.

In order for protection from financial risks associated with exchange rate fluctuations related to future transactions, the company arranges futures trading agreements with maturities not exceeding 1 year.

Identification and monitoring of possible risks that the company may face constitutes the base of risk management. Corporate risk management practices are being applied in addition to procedures of risk management and practices implemented by the group companies of one of the partners, Hacı Ömer Sabancı Holding A.Ş. Possible risks are classified by priority, critical-level risks are closely monitored by senior management and the Board of Directors. In order to minimize risks that may directly have an impact on the Company's financial situation, Sabancı Holding is insured within the scope of local and global policies in accordance with risk management strategies.

A Risk Management Department is in effect for effective implementation of corporate risk management. Processes have been developed and put into practice by Risk Management Department for effective risk management throughout the company. With Risk Management Department, the Company systematically measures, evaluates, and prioritizes operational, financial, strategic and external risks that may hinder it from reaching its general strategy and goals and regularly monitors the identified critical risks.

Risk Management Department submits a report to Corporate Governance at meetings held during the year. The report contains the works carried out, whether current actions have made the intended impact and improvement on risks and the results achieved. Risk management works and effectiveness are evaluated by the relevant committee and shared with the Board of Directors.

In accordance with the Communiqué Serial IV No. 63 of the Capital Market Board on Amending the Communiqué on Identification and Implementation of Corporate Governance Principles, committee on Early Risk Detection is established which is aimed to work in due coordination with Risk Management Department.

It is aimed through establishment of Corporate Risk Management to disseminate risk management culture and perspective in Çimsa to all company departments, develop proactive approaches, put forward possible opportunities, preserve and increase the company value, improve natural hedging and portfolio management, and further boost the trust and confidence of stakeholders.



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6- AMENDMENTS MADE IN ARTICLES OF ASSOCIATION DURING THE PERIOD:

Pursuant to permission obtained from the Capital Market Board and T.C. Ministry of Customs and Trade, Articles 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 31 in the Articles of Association were amended and Article 28 was deleted as in the amendment draft arranged by the Board of Directors for the purpose of compliance with current legislation and changes required by Company operations and management.

Approved by the Ordinary General Meeting held on 27 March 2013, the amendments were registered on 01 April 2013 and declared on Turkish Trade Registry Gazette on 05 April 2013.

Final versions of the amended articles are as follows.

Establishment:

Article 1- A joint-stock company has been founded in accordance with establishment provisions of Turkish Commercial Code by founders whose names and addresses are listed below.

- 1- Akbank Türk Anonim Şirketi
Fındıklı İstanbul, Turkish Citizen
- 2- Akçimento Ticaret Anonim Şirketi
Karaköy, Komerçiyale Han kat 4 İst., Turkish Citizen
- 3- Hacı Ömer Sabancı Holding Anonim Şirketi
Residing in Adana, Turkish Citizen
- 4- Bülent Yazıcı
K.Köy Caferağa mah.Devriye Sok.Yalı Apt.36/5
Turkish Citizen.
- 5- Sakıp Sabancı
Emirgan İstinye Cad.18, Turkish Citizen.
- 6- Cavit Borçbakan
Taksim Gümüşsuyu Cad. Işık Apt. D.5, Turkish Citizen.



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**6- AMENDMENTS MADE IN ARTICLES OF ASSOCIATION DURING THE PERIOD:
(cont.)**

Company Trade Name:

Article 2- The company trade name is '**ÇİMSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ.**'

The said titled company shall be hereinafter referred to as "Company" in following articles.

Purpose and Field of Operation:

Article 3- Below are the corporate purpose and main activities of the Company;

a) Producing all types of cement, clinker, concrete and bonding agent; establishing, partially or fully purchasing industrial plants necessary for production and sale of cement, lime, plaster and similar binding agents and products made of these materials; setting up agencies and offices for selling said products,

Conducting every kind of marine and land transport; purchase and sale of fuel and oil; purchase, sale, operation, renting and leasing marine and land vehicles,

b) Establishing plants and enterprises necessary for raw materials, fuel, energy, operation and maintenance equipment, packaging material which shall be used in manufacturing products mentioned in Paragraph 3/a; carrying out mine exploration and mining operations and taking over relevant licenses and providing support for institutions that operate in above-mentioned fields through partnership or other means,

c) Importing and exporting facilities, auxiliary products, goods, raw materials, etc. required for areas in field of operation; finalizing necessary commercial transactions,

d) Providing every kind of port services to natural or legal persons and to legal entities of government and public law on ports, pier facilities and annexes owned, taken over or rented; making necessary investments and facilities in this regard; procuring, purchasing, leasing, renting, selling or assigning equipment, machinery and spare parts for port services from abroad or domestically; making applications to that effect, obtaining permissions and licenses

e) Acquiring patent rights, charters, licenses and concessions, brand, model, picture and trade names, know-how and private means of production and procurement, consultancy and engineering services and other similar intangible rights useful for operations regarding the Company's purpose and field of operation; making every kind of transaction in this respect,

f) Carrying out all legal transactions on acquisition or construction of real estate which shall contribute to or facilitate the Company's purpose and field of operation; avoiding to breach relevant legislation and law on loaning money; borrowing on mortgage or through another warrant or without guarantee and lending on the same terms to realize the objectives and activities of the company on the condition of compliance with principles set in capital market regulations,

g) Participating and going into partnership with natural and legal persons who may help and facilitate the purpose and field of operation of the company; purchasing and selling these shares,



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**6- AMENDMENTS MADE IN ARTICLES OF ASSOCIATION DURING THE PERIOD:
(cont.)**

- h) Acquiring and performing necessary transactions for stocks, bonds, and dividend shares issued by legal entities of private or public law to help or facilitate the Company's field of business on the condition that it is not in the nature of brokerage operations and securities portfolio management,
- i) Operating in marketing, economic organization, consultancy, engineering, technical services, feasibility studies at home or abroad with regard to the above-mentioned activities,
- j) Acquiring, giving, assigning, taking over or re-establishing representation, brokerage, trusteeship, agency, general distributorship, and franchise regarding the field of business,
- k) Utilizing all kinds of technology and rationalization measures for achieving the field of business, keeping accounting records, providing data storage services, cooperating on this matter,
- l) Within the scope of Capital Market Legislation, the Company may support, help or make donations to foundations and associations with a social purpose and also to educational institutions, universities and other individuals, organizations, and institutions and be affiliated with foundations and associations.
- m) In accordance with relevant legislation on the electricity market, founding a production facility under an autoproducer license in essence to meet its own need for electricity and heat; generating electricity and heat; in case of surplus, selling the produced electricity and heat energy and/or capacity to other licensed legal persons and free consumers and engaging in activities for procurement of all equipment and fuel regarding the electricity production facility without any commercial motives.
- n) Principles set within the scope of Capital Market Legislation are to be complied with respect to establishing lien including guarantee, bail, and warrant or mortgage lien on behalf of Company or in favor of third persons.

Company Headquarters and Branch Offices:

Article 4 – The company headquarters is located in Üsküdar district of ISTANBUL. The company address is Kısıklı Caddesi No: 4 Sarkuysan-Ak İş Merkezi S Blok Altunizade, 34662 Üsküdar, ISTANBUL. In case of a change of address, the new one is registered on the trade registry and declared on the Turkish Trade Registry Gazette. It is also to be reported to Ministry of Customs and Trade and Capital Market Board. Notice sent to the registered and declared address shall be assumed sent to the Company. It constitutes grounds for termination for the Company when the registered and declared address has been changed but the new one has not been registered in due time.

Branches can be opened and agencies or representative offices can be founded in the country or abroad on the condition of informing the Capital Market Board and the Ministry of Customs and Trade.



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Capital:

Article 6- The Company adopted the registered capital system according to provisions of Capital Market Legislation and has moved into this system that shall be henceforth referred to as "Registered Capital" with the Capital Market Board permission dated 30.03.1989 and numbered 17/155.

The Company Registered Capital amounts to 200,000,000 (two hundred million) TL which is divided into 20,000,000,000 (Twenty billion) shares the value of each one being 1 Kr (One Kuruş).

Permission granted by Capital Market Board for registered capital ceiling is valid for 2011-2015 (5 years). Even if the allowed registered capital ceiling has not been reached by the end of 2015, in order to make a capital increase decision after the year 2015 the Board of Directors is required to obtain authorization to borrow additional time from the general meeting of shareholders through permission from the Capital Market Board for the previously allowed ceiling or a new one. In the event that said authorization has not been obtained, the Company shall be assumed out of the registered capital system.

The company's issued and fully paid up capital is 135,084,442 (One hundred thirty five million Eighty four thousand Four hundred forty two) TL. This capital is divided into 13,508,444,200 (Thirteen billion Five hundred and eight million Four hundred forty four thousand Two hundred) shares the value of each one being 1 Kr (One Kuruş).

The Board of Directors is authorized to increase the Issued Capital in 2011-2015 by issuing registered and/or bearer shares on the condition of staying within the Registered Capital ceiling.

The Board of Directors may decide to make the value of newly issued shares higher than their nominal value. Share amounts corresponding to cash subscribed capital are paid in advance and in full during commitment.

During the increase of issued capital, shareholders shall exercise their right of priority in the rate at which the Company's issued capital is increased to. However, the Board of Directors may restrict the use of priority rights.

Corporate shares are monitored through records under dematerialization guidelines.

Board of Directors:

Article 7- The Company is managed and represented by a Board of Directors consisting of six members to be elected in accordance with the provisions of Turkish Commercial Code and Capital Market Law.



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Term of Office of the Board of Directors:

Article 8- Board members are elected for a maximum of three years. Members whose term has expired may be re-elected.

In the event that there is a vacancy in Board membership, the Board elects a new member and submits the decision for approval at the next General Meeting of Shareholders. The new member completes the term of office of the previous one.

Provisions of the Turkish Commercial Code and Capital Market Law are implemented on situations for which there are no provisions in this Articles of Association, rights of Board members, withdrawal or death of a member, conditions which obstruct them from carrying on their duty, and other issues related to Chairman of the Board and members.

Board Meetings:

Article 9- Board of Directors convenes as required for Company business and operations.

However, it is compulsory to convene at least once in three months. Venue and date are designated by the Vice Chairman or the Board when the Chairman is absent.

Call for meetings is not subject to any particular form. The prescribed quorum by Turkish Commercial Code is exercised for decisions and meetings of the Board of Directors.

Unless a member intends for a meeting, Board decisions can be made through written approval from at least the majority of total member numbers for a written proposal made by a member on a specific issue pursuant to Article 390 (4) of the Turkish Commercial Code.

Company Management and Representation:

Article 10 - a) The Board of Directors governs the Company and represents it against shareholders and third persons and before courts. In order for all documents and contracts submitted by Company to be valid, said documentation must be signed under the record indicating the Company trade name by two of the Board Members or at least two persons who are granted power of attorney and signing authority by a Board decision.

The Board of Directors is to make all decisions and perform all operations on behalf of Company with regard to real estate transactions. The Board of Directors has absolute power to make decisions regarding real estate acquisition and pledge, mortgage, assignment or transfer of Company real estate.

b) The Board of Directors may appoint a Manager to transact all their administrative and executive works of the Company. Term of office of this Manager cannot be restricted to that of the Board of Directors.



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Task Distribution of Board Members:

Article 11- Pursuant to Article 370 (2) of Turkish Commercial Code, the Board of Directors may assign representation duties to managing directors from the Board and/or executive members and/or managers who are not Board members. Remunerations for such assignments are to be set by the Board of Directors.

Pursuant to Article 367 of Turkish Commercial Code, All or part of administrative works may be fully or partly handed over to "Managing Directors," "Executive Members" or "Management" with an internal directive. "Management" refers to the team consisting of general managers and vice general managers; managers and vice managers, and similar different-titled individuals who are all outside the extent of board of directors.

Non-assignable duties and powers stated in Article 375 of Turkish Commercial Code and in other articles are reserved.

Every year after the General Meeting of Shareholders upon the absence of a Chairman, Board Members elect a Vice Chairman to substitute him/her.

Remuneration of Board of Directors:

Article 12- A daily allowance or wage to be determined by the General Meeting of Shareholders is paid to Board members within the provisions of this Articles of Association.

Auditor:

Article 13-

The Company is audited by an auditor who is annually elected by the General Meeting of Shareholders from among individuals who possess the qualifications set in the provisions of Capital Market Legislation and Turkish Commercial Code.

The auditor is declared on Turkish Trade Registry Gazette and on website.

The auditor is dismissed of his/her duties in accordance with provisions of Capital Market Legislation and Turkish Commercial Code. Provision no 399 (2) of Turkish Commercial Code remains unaffected.

Remuneration for auditors is annually determined by contract.

Duties of Auditors:

Article 14-

Relevant provisions and articles of Capital Market Legislation and Turkish Commercial Code are to be implemented in regard to duties, powers, and responsibilities of auditors as well as other issues.



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General Meeting of Shareholders:

Article 15- The General Meeting of Shareholders convenes in ordinary or extraordinary fashion. The Ordinary General Meeting convenes at least once a year and in three months from the end of Company's fiscal period. The matters set forth are reviewed and necessary decisions are made in this meeting.

Extraordinary General Meeting convenes when necessitated by Company in accordance with provisions written in regulations and this Articles of Association to make the required decisions.

Chairman of the Board presides General Meeting of Shareholders meetings, and Vice Chairman presides when the former is absent. In the event that Vice Chairman is also absent, the Chairman is elected by General Meeting of Shareholders through majority verdict.

Chairman establishes the meeting chairmanship after assigning a minute clerk and, if he/she deems necessary/ a vote collector.

Meeting Venue:

Article **16** - General Assemblies are convened at Company headquarters or in Istanbul at a venue deemed suitable by the Board of Directors.

Notification of Meetings to Relevant Authorities and Participation of a Ministry Representative:

Article **17-** Both ordinary and extraordinary general meetings are notified to relevant authorities. A copy of the agenda and related information must be sent to relevant authorities. It is obligatory to have a representative from the Ministry of Customs and Trade present at all meetings.

Decisions made in meetings without a ministry representative are not valid.

Quorum:

Article **18** - General Meeting of Shareholders and quorum in said meetings are subject to provisions of Turkish Commercial Code.

Voting Rights:

Article 19-

Shareholders exercise their voting rights in proportion to the total nominal value of their shares pursuant to Article 434 of Turkish Commercial Code.

Proxy Appointment:

Article **20** - In General Meeting of Shareholders, the shareholders may have themselves represented through other shareholders or a proxy appointed from outside.

Proxies who have a share in the Company are entitled to use their votes as well as the votes of shareholders whom they represent.

Regulations by Capital Market Board on voting by proxy are complied with.



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Announcements:

Article 21 – Company announcements and legally required announcements are made on Turkish Trade Registry Gazette, Company website, and Public Disclosure Platform; announcements to be made only online are posted on Company website.

Announcements on convening the General Meeting of Shareholders must be made at least three weeks in advance excluding the days of announcement and meeting.

Turkish Commercial Code Article 474 is applied for announcements on reduction of the issued capital and Turkish Commercial Code Article 532 and 541 are applied for announcements on liquidation and termination.

Relevant provisions of legislation pursuant to the Capital Market Legislation are complied with.

Use of Votes:

Article 22 – Votes in the general meeting of shareholders are given open and by raising hands and/or by participating electronically. However, a secret or written voting is compulsory when requested by shareholders owning one-tenth of the capital.

Pursuant to Article 1527 of the Turkish Commercial Code, shareholders entitled to participate in the General Meeting of Shareholders can attend meetings electronically. Under the provisions of the "Regulation on General Meetings of Shareholders to Be Executed Electronically in Joint Stock Companies," the Company may install or either purchase the electronic general meeting system that enables beneficiaries to participate electronically in general meetings, express opinions, make suggestions and vote. In accordance with this provision of the Articles of Association, beneficiaries and proxies will be entitled to use their rights through this established system in all general meetings of shareholders.

Amendment of the Articles of Association:

Article 23- For any amendments to be made on the company's Articles of Association to be valid and applicable, it is imperative to register, announce, and carry out these amendments in accordance with the provisions of this Articles of Association, Turkish Commercial Code and Capital Markets Law.

Annual Reports:

Article 24- In accordance with the regulations determined by the Capital Markets Board under Turkish Accounting Standards, a sufficient number of financial statements, reports, independent audit report, minutes of the General Meeting of Shareholders and list of attendants are sent to competent authorities within time periods specified in the relevant legislation and disclosed to the public.

Operating Period:

Article 25 -The Company's operating period starts on the first day of January and ends on the last day of December.



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(cont.)**

Profit Distribution:

Article 26- Mandatory sums to be paid and allocated such as general expenses and various depreciation and taxes required to be paid by the Company's legal entity are deducted from the revenue at the end of operating period. After deducting the losses of past year, the remaining net profit which is visible in the annual balance sheet is distributed respectively in the fashion as follows.

- a) 5% is reserved as the General Contingency Reserve,
- b) First dividend is reserved from the remaining amount in the portion and amount specified by the Capital Market Board.
- c) Without prejudice to the first dividend specified by the Capital Market Board, 5% statutory reserve and 5% issued capital is deducted from the net profit mentioned in this article and a sum of %2.5 from the remaining is equally distributed to members of the Board of Directors by decision of the General Meeting of Shareholders.
- d) After deducting the amounts mentioned in clauses a, b, and c from the net profit, the General Meeting is authorized to distribute the remaining amount as second dividend or keep it as extraordinary reserve.
- e) After deducting 5% of the issued capital from the amount determined for distribution to persons participating in the profit with shareholders, one tenth of the remaining amount is reserved as contingency reserve pursuant to Subparagraph c of Paragraph 2 in Article 519 of the Turkish Commercial Code.
- f) As long as the legally required contingency reserves are not reserved and the first dividend specified in the Articles of Association for shareholders is not distributed in cash and/or in the form of shares; further reserving of contingency reserves, transferring profit to next year and distributing dividends to board members, clerks, janitors and workers, various foundations and similar persons and institutions cannot be executed.
- g) The dividend is equally distributed to all shares as of the dividend account period regardless of their date of issue and acquisition.

Date of Profit Distribution:

Article 27- The issue of when and how to distribute annual profit to shareholders under Capital Market Board regulation is decided by the General Meeting upon proposition by the Board of Directors. Profit distributed in compliance with Articles of Association provisions cannot be taken back.

Reserve Fund:

Article 28- This article is repealed.

Issuing Various Securities:

Article 29- In accordance with the Turkish Commercial Code, Capital Markets Law and other legislative provisions in effect, the Company may issue any kind of debt securities, bonds, profit and loss sharing certificate and other securities or legal instruments approved by the Capital Market Board to be sold to natural and legal entities at home and abroad.

Pursuant to the Capital Market legislation, capital market intermediaries qualifying as debt instruments that can be issued under this article can be issued by decision of the Board of Directors



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Legal Provisions:

Article 31- Turkish Commercial Code, Capital Market Law and related legislative provisions shall apply to matters which are not covered in this Articles of Association.

7- QUALITY AND AMOUNT OF ISSUED CAPITAL MARKET INSTRUMENTS (IF AVAILABLE)

There is no issued capital market instrument.

8- ÇİMSA'S PLACE IN ITS SECTOR

Çimsa was founded in Mersin in 1972. Having gone into action with its first production facility in 1975, Çimsa's plants in Mersin, Kayseri, Eskişehir and Niğde had a production capacity of 5 million tons of clinkers which has reached 5.5 million tons with the acquisition of 51% of Afyon Çimento Sanayi T.A.Ş. shares on 31.05.2012. Afyon Cement Factory commenced production in 1957 and has a production capacity of 450 thousand tons. Additionally, Çimsa reaches its customers with the cement grinding and packaging plant in Ankara, Marmara Rota Port, and Malatya cement packaging plant. Having celebrated its 40th anniversary in 2012, Çimsa continues its operations as a company that is 'young at 40.'

In addition to gray cement, Çimsa produces special cements like white cements and Calcium Aluminate and innovative concrete products to pioneer the Turkish cement and ready mix concrete industry in terms of innovation.

Being a manufacturer of ready mix concrete since 1988; Çimsa provides service in Adana, Kahramanmaraş, Osmaniye, Mersin, Kayseri, Nevşehir, Karaman, Aksaray, Eskişehir, Kütahya, Bursa, Adapazarı, Bilecik, Konya and Denizli. Aiming for growth also in the aggregate line of business, Çimsa operates in this sector too with 5 aggregate plants.

Çimsa is among the top three global brands in white cement and an international cement manufacturer with terminals in Hamburg (Germany), Trieste (Italy), Seville (Spain), Alicante (Spain), Gazimagusa (TRNC), Constanza (Romania) and Novorossiysk (Russia).

9- PROJECTIONS ON DEVELOPMENT OF BUSINESS

A member of Sabancı Cement Group, Çimsa enriches the ordinary strategic planning process with a scenario-based approach. In the most basic sense, scenario-based strategic planning refers to developing strategic options necessary to succeed possible future scenarios. Therefore, Çimsa will identify the best strategic orientation for each possible scenario in the future instead of a future-based planning established upon a single projection. This advantage gives Çimsa flexibility in terms of preparation and planning for future.



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10- DEVELOPMENTS IN THE SECTOR AND KEY FACTORS AFFECTING THE SECTOR

As demand for cement is generally low in developed countries, it has significantly increased in developing ones in the world. In 2012, consumption of cement in developed countries decreased by 6% while it rose by 3% in developing countries (excluding China and India). Global cement players have been affected by the recession in developed markets, the political developments in the Middle East and North Africa, and the increase in energy prices therefore there has been no recovery in their profit margin.

In the year 2012, the cement industry shrank by 6% in Northern Europe and 21% in Southern Europe while it grew by 3% in Central Asia, 3% in Middle East, 2% in Europe, 6% in Africa, and 5% in Latin America. Northern America has shown a growth of 9% to become the largest growing region in the world.

In Turkey, the rapid growth of construction sector increased demands in 2011 and the sector preserved its position in 2012 as well. The construction sector achieved a growth of %1 in 2012 compared to previous year.

Turkey is the leading country in Europe in cement production to rank fourth in the World only behind China, India, and USA. In Turkish cement sector, a total of 68 plants are in operation with 48 integrated plants and 20 grinding and packaging plants.

Cement production in Turkey amounted to 68 million tons in 2012 and cement consumption stood at 57 million tons. Surplus capacity over home demand was imported. However, the civil war in Syria and social and political turmoil in the Middle East and North Africa caused a decrease in Turkey's cement and clinker exports in 2012. Total cement and clinker exportation in 2012 stood at 13.6 million tons with an 8% decrease in comparison to the year 2011. There was particularly an increase in exports to North Africa in the first half of 2013 and the total exports of cement and clinker in this period increased by 4% compared to 2012 and stood at 6.9 million tons.

As the cement sector continues to grow economically, it is well aware of environmental responsibilities and aims to have an effective role in spreading sustainable growth. As in 2011, sustainable development was a highlighted issue also in 2012 particularly within the framework of harmonization regulations for the European Union. In order to reduce energy costs and decrease the amount of carbon dioxide emitted in the atmosphere; there are important issues in Turkey that are extensively covered such as using waste fuels, alternative raw material use, waste water discharges and prevention of soil pollution.



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11- PRODUCTION UNITS AND AMOUNTS

Mersin Plant

I. Production Line

With a total of 4 production lines, Mersin Plant produces gray clinker/cement, white clinker/cement, and calcium aluminate clinker/cement. Production capacity is 1,250 thousand tons/year for gray clinker, 1,100 thousand tons/year for white clinker, and 30 thousand tons/year for calcium aluminate clinker.

The first production line that started in 1975 has a 5.25 meters wide and 83 meters long non-calcination rotary kiln line. It was modernized in 1983 with addition of coal grinding and firing systems to provide savings in fuel costs. The plant has two crushers, one prehomogenization unit, two ball mills for raw materials, two raw meal silos, and two closed clinker stockholes.

With modernization works completed in the first quarter of 2010, the planet type clinker cooling system was replaced with FLS SF - Cooler type grate cooling system. This investment has brought up the production capacity to 3,700 tons/day as well as reducing heat consumption necessary for clinker production.

II. Production Line

The 3.6 meters wide and 49 meters long rotary kiln of the second production line with capacity to manufacture both gray and white clinker was put into use in December 1989. The plant consists of crushers, a raw mill with prehomogenization systems, a coal mill, two raw meal silos, a rotary kiln, and a clinker stockhole.

Capable of manufacturing both gray and white cement upon demand, the production capacity of this plant is 1,845 tons/day for gray clinker and 1,470 tons/day for white clinker.

With the "Project for Electricity Production from Waste Gas" initiated in April 2012, the waste gas from 1st and 2nd production lines at Çimsa Mersin Plant is converted to electrical energy which is expected to meet 20% of the total electricity needed throughout the plant. Also, it is environmentally friendly with less carbon emission.

III. Production Line

Set into operation in December 1999, Hacı Sabancı White Cement Production Plant (Third production line) has a 3.75m wide, 57m long rotary kiln with a production capacity of 2,000 tons/day. The plant includes a raw mill with crusher and prehomogenization facilities, a coal mill, a raw meal silo, a rotary kiln and a clinker stockhole.

Calcium Aluminate Cement Production Plant

Calcium Aluminate Cement Production Plant was founded in 2002 with a kiln having 2 tons/hour of production capacity, a cement mill with 5 tons/hour of grinding capacity, and a packaging unit. Production capacity of the plant was further increased with the addition of a second kilt in 2007 with clinker capacity of 2 tons/hour and a third kilt put into use in June 2013 with clinker capacity of 2 tons/hour. With the packaging unit built in 2009, products are provided to customers in 25kg bags and 1.5 ton crawler big bags.



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11- PRODUCTION UNITS AND AMOUNTS (cont.)

Paper Bag Plant

The paper bag plant in Mersin produced 4.6 million pieces of paper bags in the first half of 2013 which were used in Mersin, Kayseri, Niğde, Eskişehir, and Ankara plants.

Kayseri Plant

Çimsa Kayseri Plant was founded in 1992 by Akçimento, one of Sabancı Holding companies, with 1.6 million tons of cement grinding and packaging capacity per year. It was purchased by Çimsa in 1995. In 2005, a pre-crushing system was installed on the cement mill to increase cement grinding capacity and reduce energy consumption. In order to turn the current facility into a cement factory, ground was broken on 9 October 2004 for the clinker production line and first clinker production took place on 26 December 2005 with the completion of construction, installation, and implementation.

Using state-of-the-art technology, the plant has an ILC-type low NOx emitting precalcination system as the main unit, a five-stage cyclone preheater and a 55m long, 3.6m wide rotary kiln. The plant has a clinker production capacity of 2,500 tons/day and contains a raw material crusher, clay and limestone prehomogenization facilities, a ball coal mill, a vertical raw mill and two ball cement mills.

As a successful result of Çimsa's respect for environment and understanding of sustainability, Çimsa Kayseri Plant was chosen by the Ministry of Environment and Urbanization as the greenest industrial enterprise in 2002 in Turkey in "Temiz Türkiyem" event held as a part of World Environment Day activities on 5 June.

Eskişehir Plant

Eskişehir Cement Plant was put into operation in 1957 with a 3.6m wide and 125m long wet kiln and production capacity of 150 thousand tons/year. The facility continued production until 1987. The 1st production line that is in use today was set into operation with a three-stage preheater, a 3.6m wide 52m long dry kiln, and 275 thousand tons/year of production capacity which was increased to 425 thousand tons/year in 1976.

On 27 December 2005, Eskişehir Plant was handed over from TMSF to Çimsa Çimento Sanayi ve Ticaret A.Ş.

Following its acquisition by Çimsa management, a clinker production capacity of 1,750 tons/day was achieved with investments in May 2007 for the 1st production line such as the addition of a dynamic separator to raw mill, full replacement of the clinker cooler, and new electro filter units installed on the kiln line and firing and dosing systems for the rotary kiln. Moreover, a new closed circuit cement mill with 85 tons/hour of production capacity has been put into operation.

In September 2007, a new vertical coal mill system was set into operation capable of providing service for both production lines with 40 tons/hour of capacity and the old coal systems were deactivated.

In January 2008, the 2nd production line with 2,300 tons/day of capacity was put into operation to increase total production capacity to 4,050 tons/day.



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11- PRODUCTION UNITS AND AMOUNTS (cont.)

The raw material crusher and raw material prehomogenization system built along with the 2nd production line in January 2008 and the cement silos installed in 2009 transformed Eskişehir Cement Plant into a modern production facility where three ball cement mills operate in manufacturing of the final product.

Çimsa aims to be among Turkey's leading companies in waste disposal. To this end, the Hotdisc Project in Eskişehir Plant was implemented in 2012 which aims to control the kiln process operation and product quality and ensure that 30% of total calorific consumption is recovered from waste.

Niğde Plant

Established in 1957, Niğde Cement Plant commenced production with completion of the production line that has 85 thousand tons/year of wet system capacity in 1964.

On 02 September 1976, the 2nd production line with dry system was engaged which increased the annual overall production capacity to 350 thousand tons/year. In following years, the economically and technologically obsolete wet system clinker line was completely aborted and production resumed with the rotary kiln that had dry system.

After privatization of the company, kiln capacity increased from 850 tons/day to 1,240 tons/day with investments made in 1993 like the cyclone replacement, transition modernization, and replacement of cooling & firing systems, flue gas fan, and electro filter in the Rotary Kiln unit.

In relation to the verdict by Competition Authority to terminate partnership between "Sabancı & Oyak", Oysa Niğde Cement Plant took on the name of Çimsa Çimento San ve Tic.A.Ş. Niğde Cement Plant on 01 November 2007 and continues production under this title.

Numerous improvements have been made in terms of increase in production and energy recovery for Niğde Cement Plant after its transfer to Çimsa, and today the facility has achieved 1,380 tons/day of clinker production capacity. The plant has a 3.8m wide 52m long four-stage preheater and a rotary kiln with grate cooling system with a single production line as well as a hammer crusher, ball raw mill, vertical coal mill and a cement mill with roller press system

Afyon Çimento Sanayi T.A.Ş

Afyon Çimento Plant commenced production in 1957 with operation of the 2.8m wide 69.5m long wet system kiln. In 1965, clinker production capacity rose to 160 thousand tons with conversion of the kiln into semi-wet system.

Also built as a semi-wet system, the 3.6m wide 53.5m long second kiln was put into use in 1966 and production capacity of the plant increased to 400 thousand tons.

Improvements made at various dates have brought production capacity up to 460 thousand tons today in the plant that features 2 hammer crushers, 2 ball war mills, 2 ball coal mills, and 3 ball cement mills.

On 31 May 2012, 51% of the shares was purchased by Çimsa. Afyon Çimento Sanayi Türk Anonim Şirketi has been operating as a Çimsa subsidiary since that date.

In order for Afyon Cement Plant to be re-constructed outside the city of Afyonkarahisar with newly equipped modern technologies, researches were conducted in April 2013 and after locating suitable spots, procedures were begun in June 2011 to obtain necessary permissions for construction and purchasing land.



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11- PRODUCTION UNITS AND AMOUNTS (cont.)

Ankara Cement Grinding and Packaging Plant

Ground was broken in January of 2001 for Ankara Lalahan Cement Grinding and Packaging Plant which was commissioned in 2002. It was incorporated by Çimsa in 2005 together with Eskişehir Cement Plant. Ankara Plant have no rotary kilns. Clinkers procured from other Çimsa plants are ground here and turned into cement and put on sale.

Ankara Cement Grinding and Packaging plant has a cement mill with 85 hours of capacity as well as a raw material crusher, two cement silos, and a packaging unit.

Marmara Rota Port Cement Packaging Plant

Located at Rota Port on Yarımca Bay, Kocaeli; the Marmara Plant was leased out by Çimsa in June 2008. Its established silo capacity is 5 thousand tons, and bagged & bulk cement packaging/loading capacity is 100 tons/hour. Çimsa super white cement is transported in bulk from Mersin plants and stored in a 5-thousand-ton horizontal silo. Established in order to be closer to customers in Marmara Region, white cement is sold both in packages and in bulk at Marmara Plant.

Malatya Cement Packaging Plant

Established in 1996 and located nearby Malatya Battalgazi Train Station, Malatya Cement Packaging Plant has an annual processing and packaging capacity of 60 thousand tons. There are three cement silos in the plant with a total capacity of 900 tons. Cement is sold both in packages and in bulk.

Çimsa Plant Information

Production Lines	Clinker Production Capacity (Tons/Day)	Raw Kiln Width (m)	Cooler Type	Mill Type
Mersin Çimsa				
1. Plant	3.700 gray clinker	5.25	Grate cooler	Ball mill
2. Plant	1,845 gray clinker	3.60	Grate cooler	Ball mill
Or				
2. Plant	1.470 gray clinker	3.60	Grate cooler	Ball mill
3. Plant	2.000 gray clinker	3.75	Grate cooler	Ball mill
1. Isıdaç-40	55 Isıdaç-40 clinker			
2. Isıdaç-40	55 Isıdaç-40 clinker			
3. Isıdaç-40	55 Isıdaç-40 clinker			
Kayseri Çimsa				
Production Line	2,500 gray clinker	3.60	Grate cooler	Roller mill
Eskişehir Çimsa				
1. Production Line	1,750 gray clinker	3.60	Grate cooler	Ball mill
2. Production Line	2,300 gray clinker	3.60	Grate cooler	Vertical mill



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11- PRODUCTION UNITS AND AMOUNTS (cont.)

Niğde Çimsa				
Production Line	1,380 gray clinker	3.80	Grate cooler	Ball mill
Afyon Çimento Sanayi Türk A.Ş.				
1st Production Line	500 gray clinker	2.80	Grate cooler	Ball mill
2nd Production Line	950 gray clinker	3.60	Grate cooler	Ball mill
Grinding Plant	Mill Production Capacity (Tons/Day)	Mill Width (m)	Mill Type	Length (m)
Ankara Çimsa	2.040	4.20	13	Ball mill

Production Amounts for the Semi-Annual Period of 01 January - 30 June

Clinker Production			Cement Production		
GRAY CLINKER	2,127,252	TONS	GRAY CEMENT	2,670,423	TONS
WHITE CLINKER	487,491	TONS	WHITE CEMENT	537,584	TONS
ISIDAÇ-40 CLINKER	14,865	TONS	ISIDAÇ-40	15,504	TONS
SDÇ CLINKER	17,319	TONS	SDÇ CEMENT	17,154	TONS
TOTAL	2,646,927	TONS	TOTAL	3,240,665	TONS

Ready Mix Concrete and Aggregate Plants

Çimsa Ready Mix Concrete began production in 1988 in Adana with Zeytinli Ready Mix Concrete Plant. Çimsa has a wide distribution network with a total of 35 ready mix concrete plants operating in Adana, Mersin, Kayseri, Osmaniye, Kahramanmaraş, Nevşehir, Aksaray, Karaman, Bilecik, Adapazarı, Bursa, Eskişehir, Kütahya, Konya and Denizli.

Closely monitoring technological and scientific developments, the Company offers these improvements to customers as new products, new equipment pool, and service. With 122 experienced employees serving, the plants use a total of 270 transit mixers, 77 mobile pumps and 5 fixed pumps.

The "Central Shipment Project" initiated in 2010 by Çimsa which continued to spread in 2013 aims to highlight the service quality that provides added value for ready mix concrete customers and achieve to ensure timely delivery of shipments and accordingly increase customer satisfaction and loyalty.

Having begun to replace the production software in all its plants, Çimsa is capable of automatically conduct all types of data flow from the field to headquarters and gains ground to be the first company to use in-house produced software in its plants in Turkey. Çimsa meets the ready mix concrete needs of its customers located in cities with established plants while providing solutions for project needs in challenging conditions through its mobile plants or business partnerships.

In this respect, projects that provide service with 7 projects plants into the year 2013 include; Ankara – İstanbul High Speed Train Project 2nd Stage İnönü - Köseköy Line, Sarıgözel & Kandil Enerjisa Dam and Enerjisa Tufanbeyli Thermal Power Plant projects.



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11- PRODUCTION UNITS AND AMOUNTS (cont.)

Organized in 2010 as a new line of business with 2 active aggregate plants, Çimsa Aggregate Branch continues to sell products over 5 active aggregate plants in Mersin, Tarsus, Eskişehir, İnegöl, Kayseri and Denizli with licenses owned by Çimsa Aggregate production made in these 5 plants amounted to 1,5 million tons in the first six months of 2013. Environmental investments at Çimsa aggregate plants serves as a model to the industry in terms of their external view and opportunities.

12- INTERNATIONAL CONNECTIONS AND TERMINALS

Çimsa Cementos Espana S.A.U. (Spain)

Since 1996, Çimsa directly reaches the white cement consumers in Spain through the terminal in Seville and increases marketing effectiveness of its cement. The white cement produced in Mersin Cement Plant arrives at Seville Port in bulk with ships. Then, the cement is transported via cement trailers to two 5,000-ton silos owned by Çimsa Cementos. In addition to the packaging plant at the terminal with 125 tons/day of capacity, there is also another facility that produces flooring material with white cement additive.

Çimsa Cementos markets Çimsa Cement's white cement in Seville, Madrid, Cordoba, and Granada markets since 1996. ISIDAÇ (calcium aluminate cement) is shipped from Turkey in bags and also marketed through the terminal.

Built in order to increase focus on Spain customer, the most important and sophisticated white cement market in Europe, Çimsa Alicante terminal was put into use as of June 2011.

Operating since 2011, Alicante terminal addresses to the Spanish market which is the most important white cement consumer in Europe. In the terminal are 1 silo and 1 packaging plant with a capacity of 10,000 tons.

CSN Cement Sales North GmbH (Germany)

Founded as a partnership of 50% each from the German CTN GmbH and Çimsa and subject to joint management, CSN carries out white cement and Isidaç-40 marketing operations in Germany with a silo of 7 thousand 500 tons of bulk cement and markets white cement in bulk to Germany, France and Benelux countries.

The Company also serves the market with a sales office in Hamburg and an administrative one in Emden. ISIDAÇ (calcium aluminate cement) sales are also carried out through the terminal. ISIDAÇ (calcium aluminate cement) is shipped from Turkey in bags.

Germany's white cement market is among Europe's most important along with that of Spain. Making sales to the market through terminals since 2000 Çimsa directly reaches its customers in these markets with its own brand.



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12- INTERNATIONAL CONNECTIONS AND TERMINALS (cont.)

Çimsa Cement Free Zone Ltd. (TRNC)

Çimsa has been serving the market of Northern Cyprus since 2005 with a terminal that has a capacity of stocking 5 thousand tons of gray cement established at Gazi Mağusa Free Port and Zone.

Gray cement manufactured by Çimsa in Mersin Cement Plant is shipped from Mersin Port to Cyprus Gazi Mağusa Port and pumped into Çimsa Cement Free Zone silos with an unloader. Sales are made in bulk from silos according to market demand. For customers who demand cement in bags, Çimsa imports bagged cement from Mersin and markets it here.

Cimsarom Marketing Distributie S.R.L. (Romania)

Romania has gone through a rapid growth with their accession into the European Union. The Company was founded in the port of Constanza city to serve in Romanian market and primarily sells Çimsa white cement Isıdaç 50 (calcium aluminate cement) to Romanian and surrounding markets.

Cimsa-Rus Cement Trading Company Limited (Russia)

In order to meet the demand in the fast-growing Russian market, Çimsa decided to build a terminal in the city of Novorossiysk and establishment procedures were finalized as of July 2008 for the company titled Cimsa - Rus CTK.

Operating since 2008, the white cement packaging plant with 7000 tons of silo capacity meets the demands of customers in Russian market. Also suitable for customers of specialty products, ISIDAÇ 40 also receives very high demand in this market.

Cimsa Adriatico S.R.L (Italy)

On 9 February 2010, Çimsa purchased the majority shares of Medcon and became the majority owner of the terminal in Trieste port that has four 5-thousand-ton silos. Company trade name was changed as Çimsa Adriatico SRL on 26 April 2010.

The terminal offers access to the Italian market, the third largest white cement consumer after Spain and France in Europe, with Çimsa brand. With its favorable spot, the terminal is in a position to makes sales not only in Northern Italy but also in Bosnia & Herzegovina, Slovenia, and Croatia, South Eastern Germany and Austria.

It is available for storage and packaging of both white and gray cement. The terminal also procures Isıdaç (calcium aluminate cement).



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13- PERSONNEL MOVEMENTS AND COLLECTIVE BARGAINING

13.1 Number of Personnel:

As of 30.06.2013, a total of 1,119 employees (including international terminals and Afyon Cement) work in Çimsa group workplaces included in the consolidation.

In the period between 01.01.2013 and 30.06.2013, a total of 51 personnel left their jobs while 34 employees were hired in Çimsa group workplaces included in the consolidation.

13.2 Collective Bargaining:

The Group Collective Bargaining Agreement implemented in Çimsa Plants was contracted for a duration of 3 (three) years to cover the period of 01 January 2013 - 31 December 2015 with an agreement reached between the Union of Cement Employers (ÇEİS) and ÇİMSE-İŞ.

13.3 Wages and Benefits:

The personnel categorized as out of scope (white collar) are provided with a total wage package consisting of 12 gross wages and 4 gross bonuses in March, June, September, and December. As defined in relevant Company procedures, white collar personnel may be provided with various benefits according to volume of business and position such as private life insurance, private health insurance, employer-sponsored individual pension insurance, a corporate GSM line, a mobile device, a company car, etc.

13.3 Wages and Benefits: (cont.)

Scope personnel (blue collar) are provided with a total wage package consisting of 12 gross wages and 4 gross bonuses in March, June, September, and December. In addition to payment of benefits provided in gross 12 times in a year and shift premiums based on work performance, other social assistance including aid for marriage, moving, birth, and death situations and seniority incentive bonus may be provided within the scope of the Collective Bargaining agreement in effect.

14-CENTRAL AND OFF-CENTRAL ORGANIZATIONS

14.1 Head Office:

Kısıklı Cad. No: 4 Sarkuysan - Ak İş Merkezi S Blok Altunizade – İstanbul
Exchange : (0216) 651 53 00
Fax : (0216) 651 14 15

14.2 Cement Plants:

• **Çimsa Mersin**

Toroslar Mah. Tekke Cad. Yenitaşkent Mersin
Exchange : (0324) 454 00 60
Fax : (0324) 454 00 75

• **Çimsa Kayseri**

Malatya Karayolu 35. Km Bünyan Kayseri
Exchange : (0352) 712 16 07
Fax : (0352) 712 16 90



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14-CENTRAL AND OFF-CENTRAL ORGANIZATIONS (cont.)

- **Çimsa Eskişehir**

İstanbul Karayolu 22. Km Çukurhisar Eskişehir
Exchange : (0222) 411 32 00
Fax : (0222) 411 31 31

- **Çimsa Ankara**

Karşıyaka Mah. Fırat Cad. No: 3 Lalahan Ankara
Exchange : (0312) 865 23 96
Fax : (0312) 865 23 95

- **Çimsa Niğde**

Hacı Sabancı Bulvarı Niğde
Exchange : (0388) 232 36 30
Fax : (0312) 232 36 34

- **Çimsa Malatya Terminal**

TCDD Yanı Çimento Dolum Tesisi Battalgazi Malatya
Exchange : (0422) 841 36 77
Fax : (0422) 841 32 30

- **Çimsa Marmara Terminal**

Sahil Caddesi Rota Limanı İçi Yarımca/ Körfez/Kocaeli
Exchange : (0262) 528 42 33
Fax : (0262) 528 42 36

- **Çimsa Çimento San. ve Tic. A.Ş**

- **Çimsa Mersin Serbest Bölge Branch**

Yalçın Alaybeyoğlu Bulvarı
Parkur İş Merkezi Ofis No 209 Mersin
Phone : (0324) 233 47 65
Fax : (0324) 233 47 66

- **Afyon Çimento Sanayi T.A.Ş**

Güvenevler Mahallesi Fatih Caddesi No: 22 03030 Afyonkarahisar
Phone : 0 (272) 214 72 00
Fax : 0 (272) 214 72 09

14.3 Ready Mix Concrete and Aggregate Plants:

- **Zeytinli Ready Mix Concrete Plant**

Adana - Mersin Yolu Üzeri 17. Km Kestel Mevkii Zeytinli Seyhan/Adana
Phone : (0322) 441 19 01 (3 lines)
Fax : (0322) 441 18 99

- **Karahan Ready Mix Concrete Plant**

Eski Karaisalı Yolu Üzeri Seyhan / Adana

- **Misis Ready Mix Concrete Plant**

Hacı Sabancı Organize Sanayi Bölgesi 6. Cadde Misis Yüreğir / Adana



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14-CENTRAL AND OFF-CENTRAL ORGANIZATIONS (cont.)

- **İncirlik Ready Mix Concrete Plant**
Güzelevler Mah. Girne Bulvarı Bossa - 2 Fab. Yanı Yüreğir / Adana
- **Osmaniye Ready Mix Concrete Plant**
Tüysüz Beldesi Yolçatı Mevkii D-400 Karayolu Üzeri Toprakkale / Osmaniye
- **Kahramanmaraş Ready Mix Concrete Plant**
Kayseri Yolu Üzeri 2. Km Galerıciler Sitesi Bitişiği Kahramanmaraş
- **Kozan Ready Mix Concrete Plant**
Kozan Organize Sanayi Bölgesi İçi Kozan / Adana
- **Tufanbeyli Ready Mix Concrete Plant**
Tufanbeyli Termik Santral Proje Sahası, Taşpınar Kapısı girişi Tufanbeyli/Adana
- **Başakpınar Ready Mix Concrete Plant**
Malatya Yolu Üzeri 10.km Başakpınar Gaziler Mevkii Talas/ Kayseri
Phone : (0352) 224 67 40 (3 lines)
Fax : (0352) 224 67 44
- **Anbar Ready Mix Concrete Plant**
Ankara Karayolu Üzeri Ambar Mevkii Bölge Trafik Arkası / Kayseri
- **Nevşehir Ready Mix Concrete Plant**
Niğde Yolu Üzeri 7.Km. Göre / Nevşehir
- **Yenihal Ready Mix Concrete Plant**
Bahçelievler Mah. 1097 sok. No: 2 Yenihal Yolu Yalınayak Kasabası / Mersin
Phone : (0324) 235 73 14
Fax : (0324) 235 73 17
- **Tarsus Ready Mix Concrete Plant**
Address: Çamlıyayla Yolu, Eshab-ı Kehf Yol Kavşağı, Tarsus / Mersin
- **Tece Ready Mix Concrete Plant**
Cumhuriyet Mah. Mersin-Silifke Karayolu Üzeri, Tece Mevki / Mersin
- **Silifke Ready Mix Concrete Plant**
Kabasakallı Köyü Gökçeboyu Mevki, Silifke / Mersin
- **Aksaray Ready Mix Concrete Plant**
Organize San. Bölgesi Aksaray
- **Karaman Ready Mix Concrete Plant**
Organize San. Bölgesi Karaman



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14-CENTRAL AND OFF-CENTRAL ORGANIZATIONS (cont.)

- **Ereğli Ready Mix Concrete Plant**
Konya Yolu Üzeri 3. Km. Ereğli / Konya
- **Konya Ready Mix Concrete Plant**
Horozluhan Mahallesi Anayurt Caddesi No: 10 Selçuklu / Konya
- **Yenişehir Ready Mix Concrete Plant**
Akdere Mevkii Org. San. Bölgesi
Yenişehir / Bursa
- **İnegöl Ready Mix Concrete Plant**
Cerrah Kasabası Kalburt Mevkii Dereboyu - İnegöl / Bursa
Phone : (0224) 714 22 00
Fax : (0224) 714 22 03
- **Adapazarı Ready Mix Concrete Plant**
Orta Mah. Plevne Cad. No: 31 Sakarya
- **Pamukova Ready Mix Concrete Plant**
Yenice Mah. Murualtı Mevkii Pamukova / Sakarya
- **Osmaneli Ready Mix Concrete Plant**
Camikebir Mah. Çörektepe Mevkii Osmaneli / Bilecik
- **Bilecik Ready Mix Concrete Plant**
1. Organize Sanayi Bölgesi 8. Cadde No: 3 Merkez / Bilecik
- **Eskişehir Ready Mix Concrete Plant**
Muttalip Yolu 500. Metre - Eskişehir
- **Kütahya Ready Mix Concrete Plant**
Kütahya - Balıkesir Yolu 1. Km - Kütahya
- **Denizli Üçler Ready Mix Concrete Plant**
Hacı Eyüpü Mah.3125 Sok.No:5 Üçler -Denizli
- **Tarsus Sucular Aggregate Plant**
Eshab-ı Kehf yolu üzeri, Sucular Köyü Civarı Tarsus/Mersin
Phone : (0228) 216 00 23
Fax : (0228) 216 00 22
- **İnegöl- Bursa Aggregate Plant**
Karalar Köyü Mevkii İnegöl / Bursa
Phone : (0224) 714 22 02
- **Sığırlıdağ-Mersin Aggregate Plant**
Sığırlıdağ Mersin Agregat İşletmesi
Puğkaracadağ Köyü, Sığırlıdağ Mevkii Akdeniz/Mersin
- **Süpren-Eskişehir Aggregate Plant**
Süpren Köyü/Eskişehir



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14-CENTRAL AND OFF-CENTRAL ORGANIZATIONS (cont.)

14.4 Branches Abroad:

• **Cimsa Cementos Espana S.A.U - Spain**

Phone : 00 34 95 427 50 68

Fax : 00 34 95 427 19 36

Address: Carretera de la Esclusa S/N, Darsena del Batan Notre,
41011 Puerto de Seville / Spain

• **CSN Cement Sales North GmbH -Germany**

Phone : 00 49 40 70 20 93 14

Fax : 00 49 70 20 93 20/22

Address NesserlanderStrasse, 5 Emden / Germany 26721

• **Çimsa Cement Free Zone Ltd - TRNC**

Phone : 00 90 392 365 49 80

Fax : 00 90 392 365 49 81

Address: Serbest Liman, Gazi Magosa/KKTC

• **Cimsarom Marketing Distributie S.R.L. Romania**

Phone : 00 40 241 585 333

Fax : 00 40 241 585 333

Address: BdMamaia, OficeNr 5, Nr 251 Et 4, Constanta/Romania

• **Cimsa-Rus Cement Trading Company Limited- Russia**

Phone : 00 7 918 66 49 344

Address: MalozemelskayaStr, No: 16, 353900 Novorossiysk / Russia

• **Cimsa Adriatico S.R.L. -Italy**

Phone : 00 39 040 282 09 18

Fax : 00 39 040 282 09 23

Address: ası Riva Alvisè Cadamosto, 8 34147 Trieste / Italy