(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
AND THE INDEPENDENT
AUDITOR'S REPORT

Deloitte.

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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Batıçim Batı Anadolu Çimento Sanayii A.Ş.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Batıçim Batı Anadolu Çimento Sanayii A.Ş. (the "Company") and its subsidiaries (together will be referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards ("TAS"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by Capital Markets Board and Independent Auditing Standards which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Batıçim Batı Anadolu Çimento Sanayii A.Ş. and its subsidiaries as at 31 December 2015, and of their financial performance and their cash flows for the year then ended in accordance with Turkish Accounting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 10 March 2016.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Groups's set of accounts and financial statements prepared for the period 1 January - 31 December 2015 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reportings.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Volkan Becerik
Partner

İstanbul, 10 March 2016

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BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Notes	Current period 31 December 2015	Prior period 31 December 2014
ASSETS			
Current Assets		**386.842.463**	**272.969.716**
Cash and Cash Equivalents	31	146.078.304	70.544.332
Trade Receivables	7	171.425.588	133.387.549
Other Receivables	8	579.638	604.277
Inventories	9	63.998.961	62.046.270
Prepaid Expenses	10	3.826.621	5.873.550
Other Current Assets	17	933.351	513.738
Non-Current Assets		**741.165.332**	**640.777.363**
Financial Investments	4	10.000	10.000
Other Receivables	8	1.316.315	1.157.354
Intangible Assets Arising from Service Concession Agreements	13	149.180.318	152.470.130
Property, Plant and Equipment	11	544.847.586	455.980.941
Intangible Assets	12	11.495.641	10.022.245
Prepaid Expenses	10	23.740.370	11.317.655
Deferred Tax Assets	26	10.575.102	9.819.038
TOTAL ASSETS		**1.128.007.795**	**913.747.079**

The accompanying notes are integral part of these consolidated financial statements.

BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Notes	Current period 31 December 2015	Prior period 31 December 2014
LIABILITIES			
Current Liabilities		**229.501.042**	**171.160.400**
Short-term Borrowings	5	19.165.503	42.428.285
Short-term Portion of Long-term Borrowings	5	38.049.627	22.356.944
Trade Payables	7	132.029.205	83.089.091
Payables Related to Employee Benefits	16	3.663.295	3.167.762
Other Payables	8	3.979.873	3.911.831
- Other Payables to Related Parties		311.494	318.121
- Other Payables to Third Parties		3.668.379	3.593.710
Deferred Income	10	2.113.969	560.273
Current Tax Liabilities	26	5.852.370	6.024.455
Short-term Provisions		21.946.423	7.286.446
- Short-term Provisions for Employee Benefits	16	4.066.545	1.412.963
- Other Short-term Provisions	14	17.879.878	5.873.483
Other Current Liabilities	17	2.700.777	2.335.313
Non-Current Liabilities		**282.469.340**	**174.270.569**
Long-term Borrowings	5	247.952.784	142.000.708
Long-term Provisions		23.440.265	19.220.001
- Long-term Provisions for Employee Benefits	16	17.201.282	13.479.504
- Other Long-term Provisions	14	6.238.983	5.740.497
Deferred Tax Liabilities	26	11.076.291	13.049.860
EQUITY		**616.037.413**	**568.316.110**
Equity Attributable to Owners of the Company		**552.498.254**	**506.418.067**
Share Capital	18	80.000.000	80.000.000
Adjustments to Share Capital	18	118.749.217	118.749.217
Reciprocal Interests (-)	18	(33.042.438)	(33.042.438)
Restricted Reserves Appropriated from Profit	18	42.228.930	39.528.980
Other Comprehensive Income or Expenses That will not be Reclassified Subsequently Profit or Loss			
- Gain on Remeasurement of Defined Benefit Plans		58.259	1.132.462
Prior Years' Profit		280.488.115	222.284.585
Net Profit for the Period		64.016.171	77.765.261
Non-Controlling Interests		**63.539.159**	**61.898.043**
TOTAL LIABILITIES AND EQUITY		**1.128.007.795**	**913.747.079**

The accompanying notes are integral part of these consolidated financial statements.

BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY 2015 – 31 DECEMBER 2015

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Notes	Current period 1 January - 31 December 2015	Prior period 1 January - 31 December 2014
PROFIT OR LOSS			
Revenue	19	600.907.717	575.437.031
Cost of Sales (-)	19	(425.900.535)	(416.932.916)
GROSS PROFIT		**175.007.182**	**158.504.115**
Marketing Expenses (-)	20	(21.570.568)	(20.446.673)
Administrative Expenses (-)	20	(32.166.297)	(25.832.009)
Other Income from Operating Activities	22	60.305.602	37.267.961
Other Expenses from Operating Activities	23	(54.916.448)	(24.399.271)
Operating Profit		**126.659.471**	**125.094.123**
Income from Investing Activities	24	11.789.602	5.238.985
OPERATING PROFIT BEFORE FINANCE EXPENSE		**138.449.073**	**130.333.108**
Finance Expenses (-)	25	(48.085.859)	(23.034.333)
PROFIT BEFORE TAX		**90.363.214**	**107.298.775**
Tax Expense		**(21.155.537)**	**(21.905.478)**
- Current Tax Expense	26	(23.612.455)	(24.633.713)
- Deferred Tax Income	26	2.456.918	2.728.235
PROFIT FOR THE PERIOD		**69.207.677**	**85.393.297**
Profit for the Period Attributable to:			
Non-Controlling Interests		5.191.506	7.628.036
Owners of the Company		64.016.171	77.765.261
		69.207.677	85.393.297
Earnings per Share	27	**0,8351**	**1,0145**
OTHER COMPREHENSIVE INCOME:			
Items that will not be Reclassified Subsequently to Profit or Loss			
Gain on Remeasurement of Defined Benefit Plans	16	(1.363.575)	(923.551)
Deferred Tax Expense Related to the Other Compherensive Income	26	272.715	184.710
TOTAL COMPREHENSIVE INCOME		**68.116.817**	**84.654.456**
Comprehensive Income Attributable to:			
Non-Controlling Interests		5.174.849	7.534.912
Owners of the Company		62.941.968	77.119.544

The accompanying notes are integral part of these consolidated financial statements.

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

					Accumulated Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss	Retained Earnings				
	Share Capital	Adjustments to Share Capital	Reciprocal Interests (-)	Restricted Reserves Appropriated from Profit	Gain on Remeasurement of Defined Benefit Plans	Prior Years' Profit	Net Profit for the Period	Equity Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
Balances as of 1 January 2014	80.000.000	118.749.217	(33.042.438)	37.122.249	1.778.179	194.733.978	39.616.115	438.957.300	55.990.166	494.947.466
Transfers	-	-	-	-	-	39.616.115	(39.616.115)	-	-	-
Transfer to restricted reserves appropriated from profit	-	-	-	2.406.731	-	(2.620.378)	-	(213.647)	213.647	-
Dividends paid (Note 18)	-	-	-	-	-	(9.842.668)	-	(9.842.668)	(1.840.682)	(11.683.350)
Effect of changes in the share of the subsidiary (Note 2)	-	-	-	-	-	397.538	-	397.538	-	397.538
Total comprehensive income	-	-	-	-	(645.717)	-	77.765.261	77.119.544	7.534.912	84.654.456
Balances as of 31 December 2014	80.000.000	118.749.217	(33.042.438)	39.528.980	1.132.462	222.284.585	77.765.261	506.418.067	61.898.043	568.316.110
Balances as of 1 January 2015	80.000.000	118.749.217	(33.042.438)	39.528.980	1.132.462	222.284.585	77.765.261	506.418.067	61.898.043	568.316.110
Transfers	-	-	-	-	-	77.765.261	(77.765.261)	-	-	-
Transfer to restricted reserves appropriated from profit	-	-	-	2.699.950	-	(2.699.950)	-	-	-	-
Dividends paid (Note 18)	-	-	-	-	-	(16.861.781)	-	(16.861.781)	(3.533.733)	(20.395.514)
Total comprehensive income	-	-	-	-	(1.074.203)	-	64.016.171	62.941.968	5.174.849	68.116.817
Balances as of 31 December 2015	80.000.000	118.749.217	(33.042.438)	42.228.930	58.259	280.488.115	64.016.171	552.498.254	63.539.159	616.037.413

The accompanying notes are integral part of these consolidated financial statements.

BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2015

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Notes	Current period 1 January - 31 December 2015	Prior period 1 January - 31 December 2014
A.Cash Flows From Operating Activities			
Profit Before Tax		90.363.214	107.298.775
Adjustments To Reconcile Profit Before Tax			
- Gain on Sale of Property, Plant and Equipment	24	(7.492.448)	(2.154.674)
- Adjustments Related to Depreciation and Amortization	11,12,13	31.958.790	32.291.034
- Allowance for Doubtful Trade Receivables	7	183.704	225.058
- Provision for Employement Termination Benefits	16	5.070.972	3.222.630
- Provision for Unused Vacation Obligation and Performance Premiums	16	2.653.582	68.000
- Adjustments Related to Legal Provisions	14	27.848	(417.511)
- Provision for the Penalty from Competition Board	14	11.978.547	-
- Expense Related to Mine Area Rehabilitation	14	498.486	653.323
- Discount on Trade Payables		(11.416.560)	(56.474)
- Discount Expense on Trade Receivables		7.491.689	767.687
- Adjustments Related to Interest Expense	25	4.606.000	2.691.516
- Adjustments Related to Interest Income	24	(4.295.580)	(3.084.311)
- Interest Expense on Payables to Republic of Turkey Prime Ministry Privatization Administration	25	1.053.369	3.989.036
- Currency Translation Expense Related to Debts from Republic of Turkey Prime Ministry Privatization Administration		9.375.395	2.834.270
- Effect of Liquidation Subsidiary Shares		-	397.538
- Adjustments Related to Unrealized Foreign Exchange Differences		3.825.755	13.519.511
		145.882.763	**162.245.408**
Movements in Working Capital			
- Adjustments Related to the Increase in Trade Receivables	7	(45.713.432)	(48.510.344)
- Adjustments Related to the Increase in Invonteries	9	(1.952.691)	(4.805.025)
- Adjustments Related to the (Increase)/Decrease in Other Receivables	8,10,17	(10.929.721)	(3.397.656)
- Adjustments Related to the Increase in Trade Payables	7	60.356.674	25.144.254
- Adjustments Related to the Decrease/(Increase) in Other Payables	8,10,16,17	2.489.362	(5.746.697)
- Adjustments Related to the (Decrease)/Increase in Payables from Related Parties	6,8	(6.627)	1.636
Cash Generated From Operations			
Employee Termination Benefits Paid	16	(2.712.769)	(2.673.434)
Income Taxes Paid	26	(23.784.540)	(22.172.801)
		123.629.019	**100.085.341**

The accompanying notes are integral part of these consolidated financial statements.

BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2015

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Notes	Current period 1 January - 31 December 2015	Prior period 1 January - 31 December 2014
B. Cash Flows From Investing Activities			
Payments for Property,Plant and Equipment and Intangible Assets	11,12	(116.511.805)	(79.125.738)
Gain on disposal of Property, Plant and Equipment and Intangible Assets		9.731.039	5.038.897
Payments For Financial Investments	4	-	(10.000)
Interest Received	24	4.295.580	3.084.311
Cash Used in Investing Activities		**(102.485.186)**	**(71.012.530)**
C. Cash Flows from Financing Activities			
Cash Received from Borrowings		199.054.212	19.605.712
Repayment of Borrowings		(121.522.972)	(53.878.041)
Dividends Paid	18	(20.395.514)	(11.683.350)
Interest Paid		(2.745.587)	(13.603.056)
Cash Generated/(Used in) from Financing Activities		**54.390.139**	**(59.558.735)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		75.533.972	(30.485.924)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	31	70.544.332	101.030.256
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	31	**146.078.304**	**70.544.332**

The accompanying notes are integral part of these consolidated financial statements.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Batıçim Batı Anadolu Çimento Sanayii A.Ş. ("Company" or "Batıçim") was established in accordance with the Turkish Trade Law in 1966 in İzmir, Turkey.

The Group headquarters is located at Ankara Caddesi No: 335 Bornova, İzmir. The principle place of business is at the same adress.

The Group is registered under the Capital Markets Board ("CMB") and since 1995 its stocks are traded, in Borsa İstanbul ("BIST").

The Group's principle activities are production and marketing cement, ready mixed concrete, stone chips, clinker production and sale, port management, electricity power production and sale.

Entity's ready-mixed concrete business Batıbeton Sanayi A.Ş. and port management Batıliman Liman İşletmeleri A.Ş. have been approved for simplified method "participation model" partial division with the General Assembly Meeting as on the date of 28 December 2015. Entity's decisions taken by Extraordinary General Meeting referring operation of partial division registered by Izmir Registry of Commerce as on the date of 31 December 2015.

Accordingly; partial division was approved by the General Assembly and Batıbeton Sanayi A.Ş. and Batıliman Liman İşletmeleri A.Ş. are established as a 100% subsidiary of the Company.

The Group's shareholder structure at historical basis is as below:

	31 December 2015		31 December 2014	
	Share (%)	**Amount**	**Share (%)**	**Amount**
Feyyaz Nurullah İzmiroğlu	9,97	7.977.458	9,97	7.977.458
Sülün İlkin	8,19	6.555.789	8,19	6.555.789
Yıldız İzmiroğlu	8,17	6.537.266	8,17	6.537.266
Fatma Meltem Günel	6,63	5.300.409	6,63	5.300.409
Mehmet Mustafa Bükey	5,85	4.678.077	5,85	4.678.077
Fatma Gülgün Ünal	4,99	3.991.450	4,99	3.991.450
Other	56,20	44.959.551	56,20	44.959.551
	100,00	80.000.000	100,00	80.000.000

The number of employee as categorized as follows:

	31 December 2015	31 December 2014
Manager	33	32
Officer	181	180
Worker	620	586
	834	798

1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

The Board members of the Company are as follows:

Chairman of Board	: Feyyaz Nurullah İzmiroğlu
Deputy of Chairman	: Mehmet Mustafa Bükey
Executive Member	: Tufan Ünal
Member	: Fatma Meltem Günel
Member	: Sülün İlkin
Official Member	: M. Bülent Egeli
Official Member	: Dr. Necip Terzibaşoğlu
Official Member	: Feyyaz Ünal
Member	: Kemal Grebene
Member	: Musa Levent Ertörer
Member	: Tankut Karabacak

Detail of Group's Subsidiaries is as below:

Subsidiaries	Stock Exchange Market	Types of Activities	Main Business Activities
Batısöke Söke Çimento Sanayii T.A.Ş. ("Batısöke")	BIST	Production	Production and sale of clinker and cement
Batıbeton Beton Sanayi A.Ş. ("Batıbeton")	-	Operation	Ready-mixed concrete cement labor
ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("ASH Plus")	-	Production	Ash production and sale
Batıçim Enerji Elektrik Üretim A.Ş. ("Batıçim Enerji")	-	Production	Electricity production and sale
Batıbeton Beton Sanayi A.Ş. ("Yeni Batıbeton")	-	Production	Ready-mixed concrete production and sale
Batıliman Liman İşletmeleri A.Ş. ("Batıliman")	-	Operation	Port management
Batıçim Enerji Toptan Satış A.Ş. ("Batıçim Enerji Toptan")	-	Sales and Distribution	Electricity sales and distribution

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

Statement of Compliance

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No: 28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations ("TAS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

The financial statements and disclosures have been prepared in accordance with the resolution of CMB dated 7 June 2013 about the "illustrations of financial statements and application guidance".

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Currency Used

The Group's financial statements are presented in the currency (its functional currency) of the primary economic environment in which it operates. The Group's financial condition and results of operations of the Group, are expressed in TL which is the functional currency and presentation currency for its consolidated financial statements.

Adjustment of financial statements in hyperinflationary economies

With the decision taken on 17 March 2005 and decision no : 11/367, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the Turkish Financial Reporting Standards. Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies", has not been applied in the financial statements for the accounting year commencing from 1 January 2005.

Comparative Informations and Adjustments of Prior Year Financial Statement

The Group's financial statements have been prepared comparatively with the prior year for enable to determine financial status and performance trends. Comparative informations have been re-classed and explained major differencies if it's necessary to current period financial statements presentations for reconcilations. In the current period, entity made a re-classification of prior year financial statements. Re-classification's quality, cause and amounts have been explained in the below paragraph:

- In 2014, the Group presented its "debt related to the purchase of fixed assets" amounting to TL 4.889.100 within the "other liabilities" account in the consolidated financial statements. In the current year, the Group reclassified these debts within "trade payables" account as the Group managament evaluates these debts as trade payables.
- In 2014, the Group reclassed TL 21.763.006 of general production overhead costs that was presented within "cost of sales" account to "general production expenses" both within "cost of sales" account.

These reclassifications does not have any effect on statement of profit or loss.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation:

Details of the Company's subsidiaries as of 31 December 2015 and 2014 are as follows:

		31 December 2015		31 December 2014	
Subsidiary	Establishment and operation location	Direct proportional ownership %	Indirect proportional ownership %	Direct proportional ownership %	Indirect proportional ownership %
Batısöke	Aydın, Türkiye	74,62	74,66	74,62	74,66
Batıbeton	İzmir, Türkiye	99,85	99,96	99,85	99,96
Yap-Mal (*)	İzmir, Türkiye	-	-	50	99,93
ASH Plus	Manisa, Türkiye	98	99,87	98	99,87
Batıçim Enerji	İzmir, Türkiye	63,98	90,86	63,98	90,86
Batıçim Enerji Toptan	İzmir, Türkiye	<1	90,86	<1	90,86
Yeni Batıbeton	İzmir, Türkiye	100	-	-	-
Batı Liman	İzmir, Türkiye	100	-	-	-

(*) Since the Yap-Mal have dissoluted on 25 December 2014, it is not included as subsidiaries in 2015.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiary. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 Changes in Accounting Policies

Changes in accounting policies noted are applied retroactively and the financial statements of the previous year are restated. There were no changes in accounting policies of the Group in the current period.

2.3 Changes in Accounting Estimates and Errors

If changes in accounting estimates are for only one period, changes are applied on the current year but if the changes in accounting estimates are for the following periods, changes are applied both on the current and the following years prospectively. There are no significant accounting policy changes in the current period.

Significant changes in accounting errors are applied retrospectively and prior periods financial statements are adjusted accordingly.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards

(a) Amendments to TASs affecting amounts reported in the financial statements

None.

(b) New and Revised standards effective from the year 2015 with no material effect on financial statements

Amendments to TAS 19	*Defined Benefit Plans: Employee Contributions* [1]
Annual improvements to 2010-2012 Cycle	*TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 ve TAS 38, TAS 24, TFRS 9, TAS 37, TAS 39* [1]
Annual improvements to 2011-2013 Cycle	*TFRS 3, TFRS 13, TAS 40* [1]

[1] Effective for annual periods beginning on or after 30 June 2014.

Amendments to TAS 19 *Defined Benefit Plans: Employee Contributions*

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements to 2010-2012 Cycle

TFRS 2: Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'

TFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

TFRS 8: Requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

TFRS 13: Clarify that issuing TFRS 13 and amending TFRS 9 and TAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis.

TAS 16 and TAS 38: Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

TAS 24: Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements to 2010-2012 Cycle also led to amendments in related provisions of TFRS 9, TAS 37 and TAS 39, respectively.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

(b) New and Revised standards effective from the year 2015 with no material effect on financial statements (cont'd)

Annual Improvements to 2011-2013 Cycle

TFRS 3: Clarify that TFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

TFRS 13: Clarify the scope of the portfolio exception in paragraph 52.

TAS 40: Clarifying the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property.

(c) Standards that are issued but not yet effective and have not been early adopted by the Group and amendments and interpretations to existing standards

The Group has not adopted the following new and revised TFRSs that have been issued but are not yet effective:

TFRS 9	*Financial Instruments*
Amendments to TFRS 9 and TFRS 7	*Mandatory effective date for transition to TFRS 9 disclosures*
Amendments to TAS 16 and TAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [2]
Amendments to TAS 16, TAS 41, and TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 (Changes)	*Agriculture: Bearer Plants* [2]
Amendments to TFRS 11 and TFRS 1	*Accounting for Acquisition of Interests in Joint operations* [2]
Annual Improvements to 2011 - 2013 Cycle	*TFRS 1* [1]
Amendments to TAS 1	*Explanation Judgments* [2]
Annual Improvements of 2012-2014	*TFRS 5, TFRS 7, TAS 34, TAS 19* [2]
Amendments to TAS 27	*Equity Method In The Individual Financial Statements* [2]
Amendments to TFRS 10 and TAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [2]
Amendments to TFRS 10, TFRS 12 and TAS 28	*Investment Entities: Applying the Consolidation Exception* [1]
TFRS 14	*Regulatory Deferral Accounts*

[1] Effective for annual periods beginning on or after 31 December 2015.
[2] Effective for annual periods beginning on or after 1 January 2016.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

(c) Standards that are issued but not yet effective and have not been early adopted by the Group and amendments and interpretations to existing standards (cont'd)

TFRS 9 ***Financial Instruments***

TFRS 9 was amended to include requirements for the classification and measurement of financial liabilities and for derecognition.

Amendments to TFRS 9 and TFRS 7 ***Mandatory effective date for transition disclosures.***

Mandatory implementation date of TFRS 9 has been delayed but not before the date of January 1, 2018.

Amendments to TAS 16 and TAS 38 ***Clarification of Acceptable Methods of Depreciation and Amortization***

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to TAS 16 and TAS 41 with TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 ***Agriculture: Bearer Plants***

This amendment include "bearer plants" within the scope of TAS 16 rather than TAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with TAS 16.

The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of TAS 41.

Amendments to TAS 16 and TAS 41 also led to amendments in related provisions of TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40, respectively.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

(c) Standards that are issued but not yet effective and have not been early adopted by the Group and amendments and interpretations to existing standards (cont'd)

Amendments to TFRS 11 AND TFRS 1 ***Accounting for Acquisition of Interests in Joint operations***

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- Apply all of the business combinations accounting principles in TFRS 3 and other TASs, except for those principles that conflict with the guidance in TFRS 11
- Disclose the information required by TFRS 3 and other TASs for business combinations.

Amendments to TFRS 11 also led to amendments in related provisions of TFRS 1.

Annual Improvements to 2011-2013 Cycle

TFRS 1: Clarify which versions of TASs can be used on initial adoption (amends basis for conclusions only).

Amendments to TAS 1 ***Disclosure Initiative***

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

Annual Improvements 2012-2014 Cycle

TFRS 5: Adds specific guidance in TFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

TFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

TAS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

Annual improvements related 2012-2014 period causes changes TAS 19's relevant sections of standarts.

Amendments to TAS 27 ***Equity Method in Separate Financial Statements***

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

(c) Standards that are issued but not yet effective and have not been early adopted by the Group and amendments and interpretations to existing standards (cont'd)

Amendments to TFRS 10 and TAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Amendments to TFRS 10, TFRS 12 and TAS 28 *Investment Entities: Applying the Consolidation Exception*

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by TFRS 12.

TFRS 14 Regulatory Deferral Accounts

TFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of TFRS and in subsequent financial statements.

TFRS 14 also led to amendments in related provisions of TFRS 1.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity')

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

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

(b) An entity is related to a reporting entity if any of the following conditions applies:

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

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated or realized customer returns, discounts, commissions, rebates, and taxes related to sales.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

Dividend and Interest Income:

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

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

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Property, plant and equipment (cont'd)

Mining Assets

Mining assets owned by the Company comprise discounted costs associated with the reclamation, rehabilitation and closure of mines. Mining assets are carried in the financial statements at cost less accumulated depreciation and any accumulated impairment losses. Depreciation of mining assets, commences when mine production begins. Depreciation expenses related with mining assets are allocated to cost of production.

Amortization of mining assets commences when they reach full capacity and the physical condition to meet the production capacity determined by management.

In the presence of indicators of impairment, mining assets are tested against impairment in accordance with TAS 36, by being grouped into the smallest independent cash generating units and by comparing their recoverable amount and their carrying value in the financial statements. For purposes of assessing impairment, mining assets are recognized on the basis of cash-generating units. Impairment exists if the mining asset's or the cash generating unit's (which the asset belongs) carrying amount is higher than the amount recoverable from its sale after all costs associated with usage and selling have been deducted.

Losses arising from impairment of mining assets are recognized as expenses in the statement of comprehensive income. The impairment loss is reviewed at each reporting period and subsequent increases in the recoverable amount of the asset impaired can be reversed by less than the original impairment amount, if the increase in the recoverable amount is related to an event occurring during the subsequent period.

Cost of reclamation, rehabilitation and closure of mines comprise the provisioned amount for costs that are considered as highly probable to be incurred during the closure and rehabilitation of mines, discounted and recognized on the reporting date of the financial statements. These provisions are discounted at the reporting date with the discount rates, which are non-taxable and risk free rates for the future expected cash flows, taking into consideration the market interest rate and the risk associated with the liability. The calculations are reviewed at each reporting date. The changes arising from the changes in the management estimates used for the calculation of the provision related to the conditioning, rehabilitation and closure of mining areas, are recognized in the reclamation of mining areas, rehabilitation and closure costs. On the other hand in determining the costs related to the reclamation, rehabilitation and closure of mines the depreciation rate used is the lower of; the remaining economic life of the mine, or the quantity of the mined amount during the period divided by the reserves left in the mine at the end of the period. Based on the scope of existing programs to prevent environmental pollution and protection of the environment is reflected in the statement of comprehensive income as an expense in the period in which the costs are incurred.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Intangible Assets

Purchase of intangible assets

Purchased intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized over their estimated useful lives using the straight-line method. The estimated useful life and the depreciation method, in order to determine the possible effects of changes in estimates are reviewed each year and changes in estimates are accounted for prospectively. Intangible assets with indefinite useful lives that are acquired seperately are carried at cost less accumulated impairment losses.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5-10 years).

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful lives.

Derecognition of intangible assets

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

Impairment of Tangible and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Impairment of Tangible and Intangible Assets Other Than Goodwill (cont'd)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

Financial Instruments

Financial assets

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Investments are recognised and derecognised on a trade date where the purchase or sale of an investments under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value..

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets at FVTPL:

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The Group's cash and cash equivalents are classified under the category of 'Loans and Receivables'.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Financial liabilities:

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Effect of Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Earnings Per Share

Earnings per share disclosed in the accompanying consolidated statement of profit or loss is determined by dividing net income by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can raise their share capital by distributing "bonus shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are treated as issued shares. Accordingly, the retrospective effect of such share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in the computation.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Events After the Reporting Period

Events after the reporting period are those events that occur between the reporting date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information.

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the reporting date.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Segmental Information

The Group have identified relevant operating segments based on internal reports that are regularly reviewed. Chief operating decision making body of the Group is the Executive Board.

The chief operating decision making body of the Group reviews results and operations on a product basis in order to monitor performance and to allocate resources. Product basis segments of the Group are defined in the following categories: stone and mineral basis products, port services and electricity production.

Taxation on Income

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Taxation on income is composed of current tax and deferred tax.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Taxation on Income (cont'd)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Current and deferred tax for the period

Tax is recognized in profit or loss, except when this relate to items that are recognized directly in equity, in which case, tax is also recognized directly in equity.

Employee Benefits

Termination and retirement benefits:

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 (Revised) *Employee Benefits* ("TAS 19").

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments.

Statement of Cash Flows

In statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.6 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 2.5, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

Critical judgments in applying the entity's accounting policies (cont'd)

Deferred taxes

The main factors which are considered include future earnings potential and tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be available sufficient to utilize some portion of these deferred tax assets, then some portion of or all of the deferred tax assets are not recognized.

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of its property, plant and equipment at the end of each reporting period. When determining useful lives the Group takes into consideration the intended use of the property, plant and equipment. This estimation depends on the Groups' past experiences of similar property, plant and equipments. The Group also considers the advancement in technology related to the particular type of property, plant and equipment as well as other factors that may cause the propoerty, plant and equipment is not useful any longer.

Provision for mine site rehabilitation

The Group calculates for stone and earth-based land degraded by mining activities within the scope of reintegration for mine site rehabilitation. The provision is discounted to the present value of the and the related expense for the period, is included in financial expenses as the cost of rehabilitation.

3. SEGMENT REPORTING

Operating segments have been determined as those components, the operating results of which, are reviewed regularly and the Executive Board is the operating decision making body of the Group.

The Group's foreign sales represent sales made to different geographical regions. The details of revenue have been given as domestic and foreign sales in Note 19.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

3. SEGMENT REPORTING (cont'd)

The business activities of the Group is being managed and organized according to the contents of the output that the Group either provide or serve. The Group's product groups based on the breakdown is as follows: stone and soil based products, port services and electricity production.

Segment assets, segment liabilities, investment expenditures, depreciation and amortisation charge and interest income and expenses as of 31 December 2015 and 31 December 2014 comprises of the following:

31 December 2015	Products of stone and land basis	Harbour services	Electricity production	Total
Total assets	859.958.379	80.426.835	187.622.581	1.128.007.795
Total liabilities	398.082.603	22.592.257	91.295.522	511.970.382
Current year investment expenditures	102.320.678	17.127.574	1.799.358	121.247.610
Current year depreciation and amortization expense	25.655.661	2.469.202	3.833.927	31.958.790
Interest income	3.467.090	-	828.490	4.295.580
Interest expense	40.456.937	-	12.364.727	52.821.664

31 December 2014	Products of stone and land basis	Harbour services	Electricity production	Total
Total assets	629.099.102	77.650.089	206.997.888	913.747.079
Total liabilities	237.538.920	2.240.176	105.651.873	345.430.969
Current year investment expenditures	67.991.590	9.481.540	1.652.608	79.125.738
Current year depreciation and amortization expense	26.022.377	2.359.935	3.908.722	32.291.034
Interest income	2.142.145	-	942.166	3.084.311
Interest expense	15.968.236	-	6.252.486	22.220.722

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

3. SEGMENT REPORTING (cont'd)

The results of the financial figures by segments for the year ended 31 December 2015 are as follows:

1 January - 31 December 2015	Products of stone and land basis	Harbour services	Electricity production	Total
Revenue	491.728.433	36.526.913	72.652.371	600.907.717
Cost of sales (-)	(356.710.994)	(21.111.660)	(48.077.881)	(425.900.535)
Gross Profit	135.017.439	15.415.253	24.574.490	175.007.182
Marketing expenses (-)	(19.794.649)	-	(1.775.919)	(21.570.568)
Administrative expenses (-)	(30.293.244)	-	(1.873.053)	(32.166.297)
Other income from operating activities	53.171.649	239	7.133.714	60.305.602
Other expenses from operating activities	(34.400.156)	(1.222.221)	(19.294.071)	(54.916.448)
Operating Profit	103.701.039	14.193.271	8.765.161	126.659.471
Income from investing activities	5.085.562	-	6.704.040	11.789.602
Finance expenses (-)	(33.620.849)	-	(14.465.010)	(48.085.859)
Profit/(Loss) before tax	75.165.752	14.193.271	1.004.191	90.363.214

The results of the financial figures by segments for the year ended 31 December 2014 are as follows:

1 January - 31 December 2014	Products of stone and land basis	Harbour services	Electricity production	Total
Revenue	485.981.389	22.006.813	67.448.829	575.437.031
Cost of sales (-)	(338.572.809)	(16.582.559)	(61.777.548)	(416.932.916)
Gross Profit	147.408.580	5.424.254	5.671.281	158.504.115
Marketing expenses (-)	(18.891.749)	-	(1.554.924)	(20.446.673)
Administrative expenses (-)	(23.888.696)	-	(1.943.313)	(25.832.009)
Other income from operating activities	36.046.277	-	1.221.684	37.267.961
Other expenses from operating activities	(15.664.654)	(2.477.803)	(6.256.814)	(24.399.271)
Operating Profit	125.009.758	2.946.451	(2.862.086)	125.094.123
Income from investing activities	3.611.500	1.254.006	373.479	5.238.985
Finance expenses (-)	(17.278.164)	-	(5.756.169)	(23.034.333)
Profit/(Loss) before tax	111.343.094	4.200.457	(8.244.776)	107.298.775

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

4. FINANCIAL INVESTMENTS

Long-term financial investments	31 December 2015	31 December 2014
Financial investments that do not have a quoted market value recognized at their cost value		
Nemrut Kılavuz ve Römorkör Hizmetleri A.Ş.	10.000	10.000
	10.000	10.000

5. FINANCIAL LIABILITIES

Financial liabilities	31 December 2015	31 December 2014
a) Bank loans	268.161.700	136.644.169
b) Financial borrowings to the Republic of Turkey Prime Ministry Privatization Administration	37.006.214	70.141.768
	305.167.914	206.785.937

	31 December 2015	31 December 2014
Short-term bank loans	-	774.998
Short-term portion of long-term bank loans	38.049.627	22.356.944
Other short-term financial liabilities	19.165.503	41.653.287
Short-term financial liabilities	57.215.130	64.785.229
Long-term bank loans	230.112.073	113.512.227
Other long-term financial liabilities	17.840.711	28.488.481
Long-term financial liabilities	247.952.784	142.000.708
Total financial liabilities	305.167.914	206.785.937

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

5. FINANCIAL LIABILITIES (cont'd)

a) Bank loans

The detail of bank loans are shown below:

Currency	Weighted average effective interest rate (%)	31 December 2015 Short-term	31 December 2015 Long-term
USD	4,28	17.590.994	65.909.289
EURO	3,87	17.201.855	149.202.784
TL	13,9	3.256.778	15.000.000
		38.049.627	230.112.073

Currency	Weighted average effective interest rate (%)	31 December 2014 Short-term	31 December 2014 Long-term
USD	4,51	12.272.195	51.755.982
EURO	3,93	10.084.749	61.756.245
TL	-	774.998	-
		23.131.942	113.512.227

The borrowings are repayable as follows:	31 December 2015	31 December 2014
To be paid within 1 year	38.049.627	23.131.942
To be paid between 1-2 years	32.114.291	25.935.773
To be paid between 2-3 years	44.214.736	25.935.773
To be paid between 3-4 years	31.564.746	25.935.773
To be paid between 4-5 years	28.921.505	15.326.219
5 years and more	93.296.795	20.378.689
	268.161.700	136.644.169

The fair value of the Group's financial liabilities approximates their carrying amount.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

5. FINANCIAL LIABILITIES (cont'd)

b) Financial Liabilities to Republic of Turkey Prime Ministry Privatization Administration are as follows:

Currency	Weighted average effective interest rate (%)	31 December 2015 Short-term	31 December 2015 Long-term
USD	3,68	19.165.503	17.840.711
		19.165.503	17.840.711

Currency	Weighted average effective interest rate (%)	31 December 2014 Short-term	31 December 2014 Long-term
USD	3,13	41.653.287	28.488.481
		41.653.287	28.488.481

The maturities of other financial liabilities are as follows:	31 December 2015	31 December 2014
To be paid within 1 year	19.165.503	41.653.287
To be paid between 1-2 years	17.840.711	14.680.376
To be paid between 2-3 years	-	13.808.105
To be paid between 3-4 years	-	-
	37.006.214	70.141.768

6. RELATED PARTY DISCLOSURES

Transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated during consolidation and are not disclosed in this note.

Payables to related parties	31 December 2015	31 December 2014
Due to shareholders (Note 8)	311.494	318.121
	311.494	318.121

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

6. RELATED PARTY DISCLOSURES (cont'd)

Compensation of key management personnel:

The key management personnel consist of executive board members, general manager and deputy general manager. Benefits to key management personnel are wages, premiums, health insurance, transportation and etc. Benefits to the key management personnel during the period as follow:

	1 January- 31 December 2015	1 January- 31 December 2014
Wage, direct premium, social relief benefits	1.724.616	1.567.910
Seniority incentive prize , performance premium, other relief and payments	491.852	230.582
	2.216.468	1.798.492

7. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As of 31 December 2015 and 31 December 2014, the detail of the Group's trade receivables are as follows:

	31 December 2015	31 December 2014
Trade receivables	76.209.884	57.161.656
Notes receivables	96.015.982	76.838.610
Income accruals	-	3.857
Provision for doubtful receivables (-)	(800.278)	(616.574)
	171.425.588	133.387.549

The Group's undue and highly collectible receivables as of 31 December 2015 amounts to TL 171.425.588 (31 December 2014: TL 133.387.549). Average turnover for account receivables is 96 days (31 December 2014: 76 days).

As of 31 December 2015, a doubtful account receivables provision adjustment in the amount of TL 800.278 (31 December 2014: TL 616.574) has been booked. A portion of the receivables is expected to be recovered.

Allowances for doubtful receivables are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

7. TRADE RECEIVABLES AND PAYABLES (cont'd)

a) Trade Receivables (cont'd):

Movements of the Group's provision for doubtful receivables is as follows:

Movement of allowance for doubtful receivables	2015	2014
Opening Balance at 1 January	616.574	391.516
Charge for the year	183.704	225.058
Closing Balance at 31 December	800.278	616.574

The aging of overdue and doubtful receivables is as follows:

	31 December 2015	31 December 2014
Over 1 year	800.278	616.574

Nature and level of risk related to trade receivables have been given in Note 28.

b) Trade Payables:

The detail of the Group's trade payables as at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Trade payables	132.029.205	83.089.091
	132.029.205	83.089.091

The average credit period on purchases of certain goods is 75 days (31 December 2014: 60 days).

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

8. OTHER RECEIVABELS AND PAYABLES

a) Other Receivables

Other Short Term Receivables	31 December 2015	31 December 2014
Receivables related to value added tax	5.869	5.869
Guarantees and deposits given	662	12.023
Other receivables	573.107	586.385
	579.638	604.277

Other Long Term Receivables	31 December 2015	31 December 2014
Guarantees and deposits given	1.316.315	1.157.354
	1.316.315	1.157.354

b) Other Payables

	31 December 2015	31 December 2014
Taxes and funds payable	3.111.644	3.169.432
Other payables to related parties (Note 6)	311.494	318.121
Deposits and guarantees received	552.706	423.840
Other payables	4.029	438
	3.979.873	3.911.831

9. INVENTORIES

	31 December 2015	31 December 2014
Raw materials	6.293.084	12.543.299
Work in process inventories	27.186.378	24.317.931
Finished goods	1.893.562	1.005.737
Auxiliary materials and spare parts	28.625.937	24.179.303
	63.998.961	62.046.270

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

9. INVENTORIES (cont'd)

The cost of inventories recognized as expense amounts to TL 215.923.239 and is included in 'cost of sales account (31 December 2014: TL 223.473.554) (Note 19).

Auxiliary materials and spare parts are composed of unused firebricks, auxiliary materials and spare parts that may be used in manufacturing. When firebricks are used, they are classified as property, plant and equipment and become depreciable for their useful lives.

10. PREPAID EXPENSE AND DEFERRED INCOME

Short-term Prepaid Expenses	31 December 2015	31 December 2014
Order advances for inventory purchases	2.942.947	3.085.171
Prepaid expenses	864.575	2.782.091
Work advances	4.000	5.280
Advances given to personnel	15.099	1.008
	3.826.621	5.873.550

Long-term Prepaid Expenses	31 December 2015	31 December 2014
Advances for fixed asset purchases	18.740.643	9.490.352
Prepaid expenses	4.999.727	1.827.303
	23.740.370	11.317.655

Deferred Income	31 December 2015	31 December 2014
Advances received	2.113.969	560.273
	2.113.969	560.273

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Mine assets	Leasehold improvements	Total
Cost Value										
Opening balance as of 1 January 2015	50.947.092	77.750.007	155.191.614	444.678.350	2.641.059	42.577.571	59.917.172	2.512.484	2.764.309	838.979.658
Additions	32.246.920	126.882	45.643	1.204.124	509.031	4.758.179	81.323.122	-	146.005	120.359.906
Disposals	(998.786)	(7.085)	(50.428)	(21.531.539)	(411.531)	(430.934)	(3.925)	-	-	(23.434.228)
Transfers from construction in progress (*)	71.606	1.395.309	16.756.268	11.816.339	-	1.374.100	(32.934.655)	-	-	(1.521.033)
Closing balance as of 31 December 2015	82.266.832	79.265.113	171.943.097	436.167.274	2.738.559	48.278.916	108.301.714	2.512.484	2.910.314	934.384.303
Accumulated Depreciation										
Opening balance as of 1 January 2015	-	(34.548.315)	(48.194.491)	(268.145.089)	(1.689.448)	(28.038.443)	-	(888.535)	(1.494.396)	(382.998.717)
Charge for the year	-	(3.277.299)	(3.067.896)	(14.641.354)	(278.039)	(6.149.728)	-	(205.884)	(121.854)	(27.742.054)
Disposals	-	3.845	16.549	20.417.914	411.531	354.215	-	-	-	21.204.054
Closing balance as of 31 December 2015	-	(37.821.769)	(51.245.838)	(262.368.529)	(1.555.956)	(33.833.956)	-	(1.094.419)	(1.616.250)	(389.536.717)
Net carrying value as of 31 December 2015	82.266.832	41.443.344	120.697.259	173.798.745	1.182.603	14.444.960	108.301.714	1.418.065	1.294.064	544.847.586

(*) TL 1.521.033 represents the transfer from construction in progress to rights in 2015.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Mine assets	Leasehold improvements	Total
Cost Value										
Opening balance as of 1 January 2014	51.338.208	76.400.609	131.389.684	435.136.280	3.139.703	36.596.437	31.071.653	2.512.484	2.663.334	770.248.392
Additions	74.993	443.602	94.905	1.979.060	1.242.683	6.131.996	70.587.929	-	207.798	80.762.966
Disposals	(466.109)	(276.952)	(1.610.718)	(7.145.243)	(1.741.327)	(684.528)	-	-	(106.823)	(12.031.700)
Transfers from construction in progress	-	1.182.748	25.317.743	14.708.253	-	533.666	(41.742.410)	-	-	-
Closing balance as of 31 December 2014	50.947.092	77.750.007	155.191.614	444.678.350	2.641.059	42.577.571	59.917.172	2.512.484	2.764.309	838.979.658
Accumulated Depreciation										
Opening balance as of 1 January 2014	-	(31.425.041)	(46.528.405)	(257.877.594)	(3.089.797)	(23.189.329)	-	(631.114)	(1.495.527)	(364.236.807)
Charge for the year	-	(3.232.155)	(2.906.672)	(15.689.912)	(183.893)	(5.533.642)	-	(257.421)	(105.692)	(27.909.387)
Disposals	-	108.881	1.240.586	5.422.417	1.584.242	684.528	-	-	106.823	9.147.477
Closing balance as of 31 December 2014	-	(34.548.315)	(48.194.491)	(268.145.089)	(1.689.448)	(28.038.443)	-	(888.535)	(1.494.396)	(382.998.717)
Net carrying value as of 31 December 2014	50.947.092	43.201.692	106.997.123	176.533.261	951.611	14.539.128	59.917.172	1.623.949	1.269.913	455.980.941

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

11. PROPERTY PLANT AND EQUIPMENT (cont'd)

The useful lives of property, plant and equipment are as follows:

	Useful life
Land improvements	8-50 years
Buildings	40-50 years
Property, plant and equipment	5-40 years
Vehicles	4-10 years
Fixtures and equipment	2-15 years
Special costs	2-49 years
Mine properties	10-30 years

TL 22.831.790 (2014: TL 23.544.868) of depreciation expense was allocated to cost of sales, TL 134.757 (2014: TL 138.965) of depreciation expense was allocated to marketing expenses, TL 2.584.507 (2014: TL 2.665.226) of deprecition expense was allocated to administirative expense, TL 2.191.000 (2014: TL 1.560.328) of depreciation expense was allocated to semi finished goods expenses, as of 31 December 2015, there is no depreciation expense allocated to finished goods expense (2014: None).

As of 31 December 2015, mine assets included in property, plant and equipment consist of discounted costs related to closing of mines and their subsequent rehabilitation. Depreciation expenses of related mine assets has been allocated to cost of sales.

The amount of borrowing costs included in cost of property, plant and equipment as of 31 December 2015 amounts to TL 4.735.805 (31 December 2014: TL 2.020.659).

There are no assets among property, plant and equipment assets acquired through financial leases (2014: None).

12. INTANGIBLE ASSETS

	Rights	Assets subject to depletion	Total
Cost Value			
Opening balance as of 1 January 2015	17.959.251	601.962	18.561.213
Additions	887.704	-	887.704
Disposals	(15.000)	-	(15.000)
Transfers from construction in progress	1.521.033	-	1.521.033
Closing balance as of 31 December 2015	20.352.988	601.962	20.954.950
Accumulated Amortization			
Opening balance as of 1 January 2015	(7.937.006)	(601.962)	(8.538.968)
Charge for the year	(926.924)	-	(926.924)
Disposals	6.583	-	6.583
Closing balance as of 31 December 2015	(8.857.347)	(601.962)	(9.459.309)
Net carrying value as of 31 December 2015	11.495.641	-	11.495.641

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

12. INTANGIBLE ASSETS (cont'd)

	Rights	Assets subject to depletion	Total
Cost Value			
Opening balance as of 1 January 2014	17.575.820	601.962	18.177.782
Additions	383.431	-	383.431
Closing balance as of 31 December 2014	17.959.251	601.962	18.561.213
Accumulated Amortization			
Opening balance as of 1 January 2014	(6.845.171)	(601.962)	(7.447.133)
Charge for the year	(1.091.835)	-	(1.091.835)
Closing balance as of 31 December 2014	(7.937.006)	(601.962)	(8.538.968)
Net carrying value as of 31 December 2014	10.022.245	-	10.022.245

Amortization expense of TL 621.039 (2014: TL 731.530) and TL 305.885 (2014: TL 360.305) have been charged to cost of sales and administrative expenses, respectively.

The useful lives of intangible assets are as follows :

	Useful life
Rights	3-35 years
Assets subject to depletion	5 years

The "Port Operating Licence" included among the Group's rights, which has a cost of TL 11.904.290 with a useful life of 49 years, is amortized over the remaining useful life of 35 years as of the date of transfer to Group. The expiration date of the licence is the year 2041.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

13. INTANGIBLE ASSETS ARISING FROM SERVICE CONCESSION AGREEMENTS

Movements of Intangible Assets Arising from Service Concession Agreements during the period ended 31 December 2015 and 31 December 2014 is as follows:

	Privileged intangible assets
Cost Value	
Opening balance as of 1 January 2015	161.200.670
Additions	-
Closing balance as of 31 December 2015	161.200.670
Accumulated Amortization	
Opening balance as of 1 January 2015	(8.730.540)
Charge for the year	(3.289.812)
Closing balance as of 31 December 2015	(12.020.352)
Net carrying value as of 31 December 2015	149.180.318

	Privileged intangible assets
Cost Value	
Opening balance as of 1 January 2014	161.200.670
Additions	-
Closing balance as of 31 December 2014	161.200.670
Accumulated Amortization	
Opening balance as of 1 January 2014	(5.440.728)
Charge for the year	(3.289.812)
Closing balance as of 31 December 2014	(8.730.540)
Net carrying value as of 31 December 2014	152.470.130

Amortization expenses amounted to TL 3.289.812 been charged to cost of sales (2014: TL 3.289.812).

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

13. INTANGIBLE ASSETS ARISING FROM SERVICE CONCESSION AGREEMENTS (cont'd)

Batıçim Enerji, which is a subsidiary of the Group, has signed an agreement with Prime Ministry Privatization Administration and Electricity Generation Corporation ("EGC") on 7 December 2011 for the transfer of operational rights of Group 4: Kovada I and Kovada II Hydroelectric Plants, at 1 March 2013 for Group 7: Hasanlar Hydroelectric Plants. Batıçim Enerji had operating right for 49 years. At the end of the period (49 years), Batıçim Enerji has liablity to transfer all plant's operations with full function to EGC. According to the agreement, Batıçim Enerji must keep the plants productivity with approptiate level and meet the maintenance, reparation and improvement costs. Batıçim Enerji is liable for all sort of damages and harms on production facilities.

Intangible Assets Arising from Service Concession Agreements are depreciable for the contract period.

Intangible Assets Arising from Service Concession Agreements which will be transfered at the end of the period, have been insured for risks like fire or accident. Insurance amount for the relevant years is as follows:

	31 December 2015 (USD)	31 December 2014 (USD)
Insurance	32.478.250	30.541.291
	32.478.250	30.541.291

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term provisions

	31 December 2015	31 December 2014
Penalty provision of Competition Board (*)	17.818.869	5.840.322
Legal claims (**)	61.009	33.161
	17.879.878	5.873.483

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

a) Short-term provisions (cont'd)

(*) The Group has officially been notified of the fines amounting to TL 4.413.154 to be leiveed on its total net sales revenue of TL 147.105.136 in accordance with the decisions numbered 04-77/1109-279 dated 2 December 2004. Based on legal opinions related to this case, the Group has appealed to the Council of State to nullify the Competition Authority Board's decision regarding the fine on 27 June 2005. The suspension of execuiton request that the Group has filed alongside the law süit, has been sustained by the Council of State 13th Division's 2005/7505-7507 numbered decision and the Council of State Administrative Law Division's decision regarding the 2055-66 embered objection. Tfe Group has taken out a real estate mortgage to indemnify the Competition Board for the amount of TL 4.413.154. On the basis of these developments, the Group has recorded a provision amounting to TL 4.498.202.

Batısöke which is a subsidiary of the Group has recorded a provision amounting to TL 1.342.120 related to penalty which was notified by Competition Authority Board as at 13 May 2005. Abatement of proceedings was approved by State Council's 13th Department decision numbered 2005/7506 until the lawsuit was concluded for Batısöke. However, the Group paid the penalty of TL 1.342.120 to bank account of Ankara 10th Administrative Court, decision numbered 2007990 E.2009/126 and dated 30 January 2009, the penalty payment was canceled as at 30 January 2009. On 20 April 2009, the payment was given back to the Batısöke by Ankara Directorate of Tax Adminstration. As at 31 December 2013, lawsuit against the Batısöke as not concluded. However, according to legal opinions gathered by the Group management, a provision amounting to TL 1.342.120 was recorded.

An administrative fine Amounting to TL 15.971.396 of has been notified by the Competition Authority on 14 January 2016 to the Group. In compliance with the law of misdemeanors numbered 5326, article 17/6 states that "If the debitor willing to pay the fine, the public officer who fine as a result of misdeed, makes collection immediately. If debitor pays the fine without litigation, the debitor will be charged ¾ of the fine. But, this payment does not affect the right to appeal to remedy for the fine". By considering this, ¾ of fine from Competition Authority will be paid in advance, and as a result, the Entity be exempt from ¼ of fine. The Group has recorded a provision ¾ of the fine amounting to TL 11.978.547 due to relevant fine will be paid in cash.

(**) The amount represents the provision booked in relation to law suits filed by the Group's customers. Management estimates that legal claims in questions will not lead to losses greater than the amount recognized as of 31 December 2015.

b) Long-term provisions

	31 December 2015	31 December 2014
Provision for mine site rehabilitation (*)	6.238.983	5.740.497
	6.238.983	5.740.497

(*) Provision was booked in order to rehabilitate land which has been impacted by the Group's quarry mining activities.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

The movement of provisions for the period ended 31 December 2015 is as follows:

2015	Provision for Competition Board Penalty	Provision for legal claims	Provision for mine site rehabilitation	Total
Opening balance as of 1 January	5.840.322	33.161	5.740.497	11.613.980
Charge for the year	11.978.547	55.914	498.486	12.532.947
Provision cancelled (-)	-	(28.066)	-	(28.066)
Closing balance as of 31 December	17.818.869	61.009	6.238.983	24.118.861

The movement of provisions for the period ended 31 December 2014 is as follows:

2014	Provision for Competition Board Penalty	Provision for legal claims	Provision for mine site rehabilitation	Total
Opening balance as of 1 January	5.840.322	450.672	5.087.174	11.378.168
Charge for the year	-	-	653.323	653.323
Provision cancelled (-)	-	(417.511)	-	(417.511)
Closing balance as of 31 December	5.840.322	33.161	5.740.497	11.613.980

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

15. COMMITMENTS

Guarantees-Pledges- Mortgages ("GPM")

The Group's guarantees/pledge/mortagage position as at 31 December 2015 and 31 December 2014 is as follows:

31 December 2015	Currency	Original balance	TL amount
A. GPMs given on behalf of its own legal entity (Only includes letters of guarantee)			**79.492.002**
-Guarantee	TL	42.127.002	42.127.002
-Guarantee	USD	12.400.000	36.054.240
-Guarantee	EURO	412.500	1.310.760
B. GPM given on behalf of subsidiaries that are included in full consolidation		-	-
C. GPM given in order to guarantee third parties debts for the routine trade operations		-	-
D. Total amounts of other GPM given		-	-
			79.492.002

31 December 2014	Currency	Original balance	TL amount
A. GPMs given on behalf of its own legal entity (Only include letters of guarantee)			**115.769.581**
-Guarantee	TL	45.544.562	45.544.562
-Guarantee	USD	29.782.000	69.061.480
-Guarantee	EURO	412.500	1.163.539
B. GPM given on behalf of subsidiaries that are included in full consolidation		-	-
C. GPM given in order to guarantee third parties debts for the routine trade operations		-	-
D. Total amounts of other GPM given		-	-
			115.769.581

The ratio of other GPM to owners' equity is 0% as of 31 December 2015 (31 December 2014: 0%).

According to the Share Pledge Agreement signed on 1 December 2014, the Company put in pledge the capital of Batıçim Enerji Elektrik Üretim A.Ş. amounting to 63.975.000 (63.975 number of shares) with TL 1,000 nominal value in favor of Akbank T. A.Ş. Accordingly, the bank loan amounting to TL 36.025.000 (36.025 number of shares) in order to finance Batıçim Enerji Elektrik Üretim A.Ş.'s subsidiary Batısöke Söke Çimento Sanayi T. A.Ş. have signed this agreement for sharing in favor of Akbank T. A.Ş.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

16. EMPLOYEE BENEFITS

Payables related to employee benefits:

	31 December 2015	31 December 2014
Payables to personnel	2.296.976	2.018.683
Social security premiums payable	1.366.319	1.149.079
	3.663.295	3.167.762

Short-term provisions for employee benefits

	31 December 2015	31 December 2014
Unused vacation liability	1.714.247	1.412.963
Performance premium provision (*)	2.352.298	-
	4.066.545	1.412.963

(*) In the current period, a provision amounting to TL 2.352.298 is provided for employees

TL 138.591 (2014: TL 106.955), TL 147.629 (2014: TL 122.970) and TL 15.064 (2014: TL 53.778) as a part of "unused vacation liability" have been included "cost of sales", " administrative expenses" and "marketing expenses", respectively.

TL 1.007.197 (2014: None), TL 1.164.152 (2014: None) and TL 187.949 (2014: None) as a part of "performance premium provision" have been included "cost of sales", " administrative expenses" and "marketing expenses", respectively.

Long-term provisions for employee benefits

	31 December 2015	31 December 2014
Provision for employee termination benefit	17.201.282	13.479.504
	17.201.282	13.479.504

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 3,828.37 for each period of service at 31 December 2015 (2014: TL 3,438.22).

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

16. EMPLOYEE BENEFITS (cont'd)

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 *Employee Benefits* stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2015, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated with the assumption of 3,74% real discount rate calculated by using 7% annual inflation rate and 11% discount rate. (31 December 2014: 2,78%)

Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 3,67 % for employees with 0-15 years of service, and 0% for those with 16 or more years of service. Ceiling amount of TL 4.092,53 which is in effect since 1 January 2016 is used in the calculation of Groups' provision for retirement pay liability (1 January 2015: TL 3.541,37).

The principal assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate.

- If the discount rate had been 1% lower/(higher), provision for employee termination benefits would increase/(decrease) by TL 760.596 (2014: TL 902.288).
- If the anticipated turnover rate had been 1% higher/(lower) while all other variables were held constant, provision for employee termination benefits would decrease/(increase) by TL 136.343 (2014: TL 81.367).

The movement in the provision for employee termination benefits	2015	2014
Provision at 1 January	13.479.504	12.006.757
Service cost	4.687.714	2.894.616
Interest cost	383.258	328.014
Termination benefits paid	(2.712.769)	(2.673.434)
Acturial loss /(gain)	1.363.575	923.551
Provision at 31 December	17.201.282	13.479.504

Of the total charge TL 3.904.648 (2014: TL 2.297.936), TL 963.485 (2014: TL 810.156), and TL 202.839 (2014: TL 114.538), were included in cost of sales, administrative expenses and marketing expenses, respectively.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

17. OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2015	31 December 2014
Deferred VAT	752.458	502.448
Other current assets	180.893	11.290
	933.351	513.738

Other Short Term Liabilities	31 December 2015	31 December 2014
Mine tax accruals	1.967.810	1.524.938
Other payables and liabilities	732.967	810.375
	2.700.777	2.335.313

18. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

Paid and approved capital of the Company consist 8.000.000.000 number of shares that has TL 0,01 value (31 December 2014: TL 0,01 and 8.000.000.000 shares). Additionally capital of the Company include A group bearer share and B group bearer share.

The Group is subject to the upper limit of registered capital, and the upper limit is TL 150.000.000 as of 31 December 2015 (31 December 2014: TL 150.000.000).

The Group's share capital consist of A group and B group shares.

The composition of the A group shareholders (preferred stock) is as follows:

	31 December 2015		31 December 2014	
	Share (%)	**Amount**	**Share (%)**	**Amount**
Feyyaz Nurullah İzmiroğlu	9,67	4.640	9,67	4.640
Yıldız İzmiroğlu	9,75	4.681	9,75	4.681
Fatma Meltem Günel	7,85	3.768	7,85	3.768
Mehmet Mustafa Bükey	7,85	3.768	7,85	3.768
Sülün İlkin	7,72	3.704	7,72	3.704
Fatma Gülgün Ünal	7,57	3.635	7,57	3.635
Belgin Egeli	5,00	2.402	5,00	2.402
Others	44,59	21.402	44,59	21.402
	100,00	48.000	100,00	48.000

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

18. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

a) Share Capital (cont'd)

Group A shareholders have the following rights:

- All members of the board of governors have to be appointed from among the candidates chosen by holders of Group A transferable shares.
- Group A shareholders have the right to 15 (Fifteen) votes, whereas Group B shareholders have the right to 1 (one) vote during general assemblies.
- Without prejudice to the first dividend, Group A shareholders receive 10% of the total net earnings, to be distributed in proportion to their stake.
- In order to: amend articles numbered 7 (except for paragraph 1 specifying the number of members of the Administrative Board), 8, 9, 10, 15, 18, 19, 24, 25, and 27; decide to dissolve the Company; increase capital by issuing more than the number of bearer shares stated in article 6 or by issuing new name shares; change the type, group or number of Group A shares; convert already issued or to be issued Group B bearer or name shares to Group A shares or to exchange with Group A name or bearer shares, 3/4 (three quarters) of the votes of Group A bearer shareholders must be obtained.

The composition of the B group shareholders (ordinary shareholders) is as follows:

	31 December 2015		31 December 2014	
	Share (%)	**Amount**	**Share (%)**	**Amount**
Feyyaz Nurullah İzmiroğlu	9,97	7.972.818	9,97	7.972.818
Sülün İlkin	8,20	6.552.085	8,20	6.552.085
Yıldız İzmiroğlu	8,17	6.532.585	8,17	6.532.585
Fatma Meltem Günel	6,62	5.296.641	6,62	5.296.641
Mehmet Mustafa Bükey	5,85	4.674.309	5,85	4.674.309
Fatma Gülgün Ünal	4,99	3.987.815	4,99	3.987.815
Others	56,20	44.935.747	56,20	44.935.747
	100,00	79.952.000	100,00	79.952.000

	31 December 2015	31 December 2014
Capital inflation adjustments	118.749.217	118.749.217
	118.749.217	118.749.217

b) Restricted Reserves Appropriated from Profit

	31 December 2015	31 December 2014
Legal reserves	42.228.930	39.528.980
	42.228.930	39.528.980

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

18. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

b) Restricted Reserves Appropriated from Profit (cont'd)

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

According to the Turkish Commercial Code, legal reserves can be utilized only for offsetting losses, retain business continuity and manage with unemployment or other consequences unless the legal reserves do not exceeds the share capital or half of the share capital.

Profit Distribution:

Public Companies distribute dividends based on the II-19.1 numberred dividend notification of the Capital Markets Board dated 1 February 2014.

Associations distribute dividend in compliance with profit distribution policies and related legislation provisions that detemined by decisions of General Assembly. Within the scope of the legislation, a minimum distribution ratio is not determined. Companies pay dividend according to articles of incorporation and dividend distribution policies.

Dividend amounting to TL 0.09 per share is paid on 2 June 2015 (of the total payment of TL 20.395.514); TL 15.511.394 paid to shareholders and TL 4.884.120 paid to board of directors (2014: Total TL 11.683.350, TL 9.842.668 distributed to shareholders, TL 1.840.682 distributed to board of directors).

c) Reciprocal Interests

	31 December 2015	31 December 2014
Cancellation of parent company shares held by Batı Söke	(32.387.000)	(32.387.000)
Cancellation of parent company shares held by Batıbeton	(655.438)	(655.438)
	(33.042.438)	(33.042.438)

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

19. REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2015	1 January - 31 December 2014
Domestic sales	547.186.918	511.056.159
Export sales	61.927.664	69.997.443
Other income	23.879.988	23.178.100
Sales returns (-)	(146.081)	(73.506)
Sales discounts (-)	(747.672)	(1.017.710)
Other discounts (-)	(31.193.100)	(27.703.455)
	600.907.717	575.437.031

b) Cost of Sales

	1 January - 31 December 2015	1 January - 31 December 2014
Raw materials used	(180.371.486)	(172.392.852)
Production overheads	(112.467.082)	(111.636.875)
Cost of trade goods	(39.308.025)	(54.535.575)
Payroll expenses	(31.988.013)	(28.718.769)
Service production cost	(31.650.991)	(21.679.964)
Depreciation expenses (Note 11)	(22.831.790)	(23.544.868)
Amortisation expenses (Note 12,13)	(3.910.851)	(4.021.342)
Provision of employee termination benefits (Note 16)	(3.904.648)	(2.297.936)
Performance premium provision (Note 16)	(1.000.197)	-
Reversal of provision / (charges) related to rehabilitation provision (Note 14)	(498.486)	(653.323)
Unused vacation accrual (Note 16)	(138.591)	(106.955)
Change in work-in process and finished goods (Note 9)	3.756.272	3.454.873
Other	(1.586.647)	(799.330)
	(425.900.535)	(416.932.916)

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

20. ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January - 31 December 2015	1 January - 31 December 2014
Marketing expenses (-)	(21.570.568)	(20.446.673)
Administrative expenses (-)	(32.166.297)	(25.832.009)
	(53.736.865)	(46.278.682)

a) Marketing Expenses

	1 January - 31 December 2015	1 January - 31 December 2014
Export expenses	(14.766.400)	(13.017.754)
Transportation and loading expenses	(3.843.417)	(3.786.925)
Payroll expenses	(2.218.704)	(1.945.119)
Provision of employee termination benefits (Note 16)	(202.839)	(114.538)
Performance premium provision (Note 16)	(187.949)	-
Vehicle rent expenses	(139.578)	(115.015)
Depreciation expenses (Note 11)	(134.757)	(138.965)
Unused vacation accrual (Note 16)	(15.064)	(53.778)
Other	(61.860)	(1.274.579)
	(21.570.568)	(20.446.673)

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

20. ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

b) Administrative Expenses

	1 January - 31 December 2015	1 January - 31 December 2014
Payroll expenses	(12.981.246)	(11.551.075)
Real estate tax expenses	(4.250.655)	(3.675.559)
Outsourced benefits and services	(3.521.195)	(2.164.666)
Depreciation expenses (Note 11)	(2.584.507)	(2.665.226)
Consultancy expenses	(1.947.199)	(1.458.592)
Taxes and funds	(1.896.632)	(636.289)
Security expenses	(1.438.577)	(1.150.680)
Performance premium provision (Note 16)	(1.164.152)	-
Provision of employee termination benefits (Note 16)	(963.485)	(810.156)
Cleaning expenses	(571.880)	(468.968)
Fuel expenses	(326.366)	(457.343)
Amortization expenses (Note 12)	(305.885)	(360.305)
Unused vacation accrual (Note 16)	(147.629)	(122.970)
Other	(66.889)	(310.180)
	(32.166.297)	(25.832.009)

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

21. EXPENSES BY NATURE

	1 January-31 December 2015	1 January-31 December 2014
Raw material used	(180.371.486)	(172.392.852)
Production overheads	(112.467.082)	(111.636.875)
Payroll expenses	(47.187.963)	(42.214.963)
Cost of trade goods sold	(39.308.025)	(54.535.575)
Service production expense	(31.650.991)	(21.679.964)
Depreciation expenses (Note 11)	(25.551.054)	(26.349.059)
Export expenses	(14.766.400)	(13.017.754)
Provision of employee termination benefits (Note 16)	(5.070.972)	(3.222.630)
Real estate tax expenses	(4.250.655)	(3.675.559)
Amortization expense (Note 12,13)	(4.216.736)	(4.381.647)
Transportation and loading expenses	(3.843.417)	(3.786.925)
Outsourced benefits and services	(3.521.195)	(2.164.666)
Performance premium provision (Note 16)	(2.352.298)	-
Consultancy expenses	(1.947.199)	(1.458.592)
Taxes and funds	(1.896.632)	(636.289)
Other cost of sales	(1.586.647)	(799.330)
Security expense	(1.438.577)	(1.150.680)
Cleaning expenses	(571.880)	(468.968)
Reversal of provision / (charges) related to rehabilitation provision (Note 14)	(498.486)	(653.323)
Fuel expenses	(326.366)	(457.343)
Unused vacation accrual (Note 16)	(301.284)	(283.703)
Vehicle rent expenses	(139.578)	(115.015)
Change in work-in process and finished goods (Note 9)	3.756.272	3.454.873
Other	(128.749)	(1.584.759)
	(479.637.400)	(463.211.598)

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

22. OTHER INCOME FROM OPERATING ACTIVITIES

	1 January - 31 December 2015	1 January - 31 December 2014
Foreign exchange income from operating activities	45.522.097	25.094.941
Discount income	11.416.560	9.186.240
Income from scrap sales	1.240.571	1.250.504
Rental income	591.733	607.033
Recycling income	174.134	178.267
Port service income	111.650	222.103
Income from insurance damage	621.531	26.767
Other income	627.326	702.106
	60.305.602	37.267.961

23. OTHER EXPENSES FROM OPERATING ACTIVITIES

	1 January - 31 December 2015	1 January - 31 December 2014
Currency translation expense from operating activities	(33.671.484)	(18.620.127)
Penalty provision of Competition Board (Note 14)	(11.978.547)	-
Discount expense	(7.491.689)	(5.574.866)
Expenses from insurance damages	(1.519.920)	(27.140)
Other expenses	(254.808)	(177.138)
	(54.916.448)	(24.399.271)

24. INCOME FROM INVESTING ACTIVITIES

	1 January - 31 December 2015	1 January - 31 December 2014
Gain on sale of property, plant and equipment	7.492.448	2.154.674
Interest income:		
Time deposit	4.295.580	3.084.311
Gain on sale of securities	1.574	-
	11.789.602	5.238.985

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

25. FINANCE EXPENSE

	1 January - 31 December 2015	1 January - 31 December 2014
Interest expense related to bank loans	(5.563.972)	(4.712.175)
Interest expense arised from payables related to T.C Başbakanlık Özelleştirme İdaresi Başkanlığı	(1.053.369)	(3.989.036)
Total interest expense	(6.617.341)	(8.701.211)
Less: The amount capitalized in the cost of property, plant and equipment	957.972	2.020.659
	(5.659.369)	(6.680.552)
Foreign currency exchange (expenses) / income, net	(46.204.323)	(16.353.781)
Less: Amount capatilized to the cost of property, plant and equipment	3.777.833	-
	(48.085.859)	(23.034.333)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current tax liability	31 December 2015	31 December 2014
Current corporate tax provision	(23.612.455)	(24.633.713)
Less: Prepaid taxes and funds	17.760.085	18.609.258
	(5.852.370)	(6.024.455)

Income tax recognized in profit or loss

Tax expense comprises:	1 January - 31 December 2015	1 January - 31 December 2014
Current tax expense	(23.612.455)	(24.633.713)
Deferred tax income related to the origination and reversal of temporary differences	2.456.918	2.728.235
Total tax expense	(21.155.537)	(21.905.478)

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Corporate Tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the year. Turkish tax legislation does not permit a parent company, its subsidiaries, joint ventures and affiliates to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 2015 is 20% (2014: 20%) for the Group.

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS and tax purposes and they are given below.

For calculation of deferred tax assets and liabilities, the rate of 20% (2014: 20%) is used.

In Turkey, companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax asset positions were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

Deferred tax liabilities	31 December 2015	31 December 2014
Depreciation/amortization differences of property, plant,equipment and other intangible assets	(16.272.165)	(17.359.276)
Tax effect of acturial gain from retirement pay provision	(3.647)	215.101
Adjustments to inventories	245.102	228.715
Amortization of trade receivables and payables	299.640	438.289
Provision for rehabilitation of mines	1.247.797	1.148.099
Provision for legal claims	-	1.174.697
Provisions for employee termination benefits and unused vacation	3.288.767	1.630.783
Performance premium provision	470.460	-
Other	(352.245)	(526.268)
	(11.076.291)	(13.049.860)

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

26. INCOME TAXES (INCLUDING DEFERED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax (cont'd)

Deferred tax assets	31 December 2015	31 December 2014
Tax credit from prior years' losses	373.549	3.436.074
Tax effect of acturial gain from retirement pay provision	(10.918)	68.015
Provision for employee termination benefits and unused vacation	508.904	1.064.594
Depreciation and amortization of tangible and intangible assets	9.865.762	6.077.521
Effect of amortized cost method on receivables and payables	8.933	(6.428)
Other	(171.128)	(820.738)
	10.575.102	9.819.038

Expiration date of unused losses from provious years are as follows:

	31 December 2015	31 December 2014
Expiring in 2016	-	12.528.949
Expiring in 2017	-	381.296
Expiring in 2018	113.505	2.024.133
Expiring in 2019	1.754.240	2.245.992
	1.867.745	17.180.370

As of 31 December 2015, the movement of deferred tax liabilities are as follows:

Deferred tax (assets)/liabilities movement	2015	2014
Opening balance as at 1 January	3.230.822	6.143.767
Tax recognized in profit or loss	(2.456.918)	(2.728.235)
Tax recognized in equity	(272.715)	(184.710)
Closing balance as at 31 December	501.189	3.230.822

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

26. INCOME TAXES (INCLUDING DEFERED TAX ASSETS AND LIABILITIES) (cont'd)

	1 January - 31 December 2015	1 January - 31 December 2014
Profit before tax	90.363.214	107.298.775
Tax at the domestic income tax rate of 20% (2014: 20%)	(18.072.643)	(21.459.755)
Tax effects of:		
- competition board penalty that is not deductible in taxation	(2.395.709)	-
- expenses that are not deductible in determining taxable profit	(324.363)	(473.141)
- discounts and exceptions	1.849.434	1.573.705
- effect of intra-group paid dividend	(1.720.897)	(1.078.525)
- other	(491.359)	(467.762)
Income tax expense recognised in profit or loss	(21.155.537)	(21.905.478)

27. EARNINGS PER SHARE

	1 January - 31 December 2015	1 January - 31 December 2014
Net profit for the year attributable to owners	64.016.171	77.765.261
Weighted average number of the shares outstanding	7.665.734.378	7.665.734.378
100 unit earnings per share, nominal value is 1 TL	0,8351	1,0145

As of 31 December 2015, in the calculation of the weighted average number of shares in circulation, 334.265.622 (31 December 2014: 334.265.622) unit shares held by the Company's subsidiaries Batı Söke and Batıbeton and have been excluded from outstanding shares within the scope of TAS 33.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 5, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group's risk management committee reviews the capital structure of the Group collectively on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the committee, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group's strategy remain unchainged since 2014. The gearing ratio calculated as net debt calculated by deducting cash and cash equivalents and short-term financial investments from financial liabilities divided by the share capital as of 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Total borrowings	305.167.914	206.785.937
Less: Cash and cash equivalents	(146.078.304)	(70.544.332)
Net debt	159.089.610	136.241.605
Total equity	616.037.413	568.316.110
Total capital	775.127.023	704.557.715
Net debt/ total capital	**%20,52**	**%19,34**

b) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried under policies approved by the Board of Directors. Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

Credit risk exposure by financial instrument type

	Receivables			
31 December 2015	**Trade Receivables**	**Other Receivables**	**Deposits at Banks**	**Total**
Maximum credit risk as of reporting date (*)	171.425.588	1.895.953	146.021.136	319.342.677
- Portion of maximum risk secured by guarantees etc. (**)	125.950.814	-	-	125.950.814
A. Net book value of undue or not impaired financial assets	171.425.588	1.895.953	146.021.136	319.342.677
B. Net book value of financial instruments with renegotiated conditions that are otherwise considered as overdue or impaired	-	-	-	-
C. Net book value of overdue but not impaired assets		-	-	-
D. Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	800.278	-	-	800.278
- Impairment (-)	(800.278)	-	-	(800.278)
E. Off-balance-sheet credit risk exposures	-	-	-	-

(*) In determining the amount, credit enchancement such as guaratees received are not taken into account.
(**) Guarantees consist of the guarantee notes which are received from customers, guarantee checks and mortgages.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

Credit risk exposure by financial instrument type

	Receivables			
31 December 2014	**Trade Receivables**	**Other Receivables**	**Deposits at Banks**	**Total**
Maximum credit risk as of reporting date (*)	133.387.549	1.761.631	70.499.060	205.648.240
- Portion of maximum risk secured by guarantees etc. (**)	119.744.892	-	-	119.744.892
A. Net book value of undue or not impaired financial assets	133.387.549	1.761.631	70.499.060	205.648.240
B. Net book value of financial instruments with renegotiated conditions that are otherwise considered as overdue or impaired	-	-	-	-
C. Net book value of overdue but not impaired assets		-	-	-
D. Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	616.574	-	-	616.574
- Impairment (-)	(616.574)	-	-	(616.574)
E. Off-balance-sheet credit risk exposures	-	-	-	-

(*) In determining the amount, credit enchancement such as guaratees received are not taken into account.
(**) Guarantees consist of the guarantee notes which are received from customers, guarantee checks and mortgages.

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.1 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

Allowances for doubtful receivables are recognized against financial assets based on estimated irrecoverable amounts determined by reference to past experience.

b.2) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework fort he management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial asseets and liabilities.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.2) Liquidity risk management (cont'd)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2015

Maturities on agreements	Book value	Total cash outflow (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 liabilities						
Financial borrowings	305.167.914	356.533.073	20.286.550	33.879.947	190.746.557	111.620.019
Trade payables	132.029.205	143.445.765	143.445.765	-	-	-
Other payables	311.494	311.494	311.494	-	-	-
	437.508.613	500.290.332	164.043.809	33.879.947	190.746.557	111.620.019

31 December 2014

Maturities on agreements	Book value	Total cash outflow (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 liabilities						
Financial borrowings	206.785.937	222.580.949	150.299	63.815.682	131.531.598	27.083.370
Trade payables	83.089.091	83.145.565	59.078.973	-	-	-
Other payables	318.121	318.121	318.121	-	-	-
	290.193.149	306.044.635	59.547.393	63.815.682	131.531.598	27.083.370

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3) Market Risk Management

The Group's activities expose it primarily to the financial risks changes in foreign currency Exchange rates and interest rates.

b.3.1) Foreign currency risk management

Transactions denominated in foreign currencies does not result in foreign currency risk.

The carrying amounts of the Group's foreign curremcy denominated monetary and non monetary assets and monetary and non monetary liabilities at the reporting period are as follows:

	31 December 2015		
	TL Amounts (Functional currency)	**US Dollars**	**Euro**
1. Trade receivables	2.661.755	915.418	27
2a. Monetary financial assets	131.087.656	10.732.288	31.433.300
2b. Non-monetary financial assets	-	-	-
3. Other	14.884.539	1.134.500	3.646.106
4. CURRENT ASSETS	**148.633.950**	**12.782.206**	**35.079.433**
5. Trade receivables	-	-	-
6a. Monetary financial assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	20.305	-	6.390
8. NON-CURRENT ASSETS	20.305	-	6.390
9. TOTAL ASSETS	**148.654.255**	**12.782.206**	**35.085.823**
10. Trade payables	10.346.724	3.203.254	325.070
11. Financial liabilities	53.958.352	12.641.526	5.413.473
12a. Other monetary liabilities	442.481	151.525	600
13. SHORT-TERM LIABILITIES	**64.747.557**	**15.996.305**	**5.739.143**
14. Trade payabes	-	-	-
15. Financial liabilities	232.952.784	28.803.823	46.954.553
16a. Other monetary liabilities	-	-	-
17. LONG-TERM LIABILITIES	232.952.784	28.803.823	46.954.553
18. TOTAL LIABILITIES	**297.700.341**	**44.800.128**	**52.693.696**
19. Off-balance sheet derivative instruments net asset/ liability position	-	-	-
20a. Off-balance sheet foreign currency derivative assets	-	-	-
20b. Off-balance sheet foreign currency derivative liabilities	-	-	-
21. Net foreign currency assets / liability position	**(149.046.086)**	**(32.017.922)**	**(17.607.873)**
22. Monetary items net foreign currency assets / liabilities position (1+2a+5+6a-10-11-12a-14-15-16a)	**(163.950.930)**	**(33.152.422)**	**(21.260.369)**
23. Balance of hedged foreign currency liabilities	-	-	-

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3) Market Risk Management (cont'd)

b.3.1) Foreign currency risk management (cont'd)

	31 December 2014		
	TL Amounts (Functional currency)	**US Dollars**	**Euro**
1. Trade receivables	3.352.168	1.442.958	2.160
2a. Monetary financial assets	55.833.385	17.358.163	5.523.998
2b. Non-monetary financial assets	-	-	-
3. Other	579.877	-	205.579
4. CURRENT ASSETS	**59.765.430**	**18.801.121**	**5.731.737**
5. Trade receivables	-	-	-
6a. Monetary financial assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	36.049	-	12.780
8. NON-CURRENT ASSETS	36.049	-	12.780
9. TOTAL ASSETS	**59.801.479**	**18.801.121**	**5.744.517**
10. Trade payables	2.282.348	142.263	692.188
11. Financial liabilities	64.010.232	23.254.768	3.575.265
12a. Other monetary liabilities	360.115	151.525	3.100
13. SHORT-TERM LIABILITIES	**66.652.695**	**23.548.556**	**4.270.553**
14. Trade payabes	-	-	-
15. Financial liabilities	142.000.708	34.604.538	21.893.943
16a. Other monetary liabilities	-	-	-
17. LONG-TERM LIABILITIES	142.000.708	34.604.538	21.893.943
18. TOTAL LIABILITIES	**208.653.403**	**58.153.094**	**26.164.496**
19. Off-balance sheet derivative instruments net asset/ liability position	-	-	-
20a. Off-balance sheet foreign currency derivative assets	-	-	-
20b. Off-balance sheet foreign currency derivative liabilities	-	-	-
21. Net foreign currency assets / liability position	**(148.851.925)**	**(39.351.973)**	**(20.419.979)**
22. Monetary items net foreign currency assets / liabilities position (1+2a+5+6a-10-11-12a-14-15-16a)	**(149.467.850)**	**(39.351.973)**	**(20.638.338)**
23. Balance of hedged foreign currency liabilities	-	-	-

Foreign currency sensivity analysis

The Group is exposed to foreign exchange risk arising from the translation of assets and liabilities denominated in foreign currencies to Turkish Lira. The foreign exchange risk is managed through analysis on the foreign exchange position.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollars and the Euro.

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3) Market Risk Management (cont'd)

b.3.1) Foreign currency risk management (cont'd)

The following table details the Group's sensitivity to a 10% increase and decrease in US Dollars and Euro against TL. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity.

31 December 2015	Profit / Loss	
	Foreign exchange gain	Foreign exchange loss
Increase of US Dollars by 10% against TL		
1 - US Dollars net assets / liabilities	(9.639.398)	9.639.398
2 - US Dollars hedges (-)	-	-
3 - US Dollars net effect (1 + 2)	(9.639.398)	9.639.398
Increase of Euro by 10% against TL		
4 - Euro net assets / liabilities	(6.755.694)	6.755.694
5 - Euro hedges (-)	-	-
6 - Euro net effect (4 + 5)	(6.755.694)	6.755.694
Total (3 + 6)	(16.395.092)	16.395.092

31 December 2014	Profit / Loss	
	Foreign exchange gain	Foreign exchange loss
Increase of US Dollars by 10% against TL		
1 - US Dollars net assets / liabilities	(9.125.329)	9.125.329
2 - US Dollars hedges (-)	-	-
3 - US Dollars net effect (1 + 2)	(9.125.329)	9.125.329
Increase of Euro by 10% against TL		
4 - Euro net assets / liabilities	(5.821.455)	5.821.455
5 - Euro hedges (-)	-	-
6 - Euro net effect (4 + 5)	(5.821.455)	5.821.455
Total (3 + 6)	(14.946.784)	14.946.784

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3) Market Risk Management (cont'd)

b.3.2) Interest rate risk management (cont'd)

Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. Hedging activities are evaluated reqularly to align with interest rate views and defined risk apptite; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liablities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for whole year. The group expects a 50 basis point fluctuation in interest rates..

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

If USD interest rates had been 50 basis points higher/lower and all other variables were held constant, the profit before tax and non-controlling interests for he year ended 31 December 2015 would increase/decrease by USD 65.858 / TL 191.489 (31 December 2014 : USD 94.750 - TL 219.716).

If Euro interest rates had been 50 basis points higher/lower and all other variables were held constant, the profit before tax and non-controlling interests for the year ended 31 December 2014 would increase/decrease by Euro 58.431 / TL 185.671 (31 December 2014: Euro 108.182 - TL 305.148).

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

29. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

31 December 2015	Loans and receivables (including cash and cash equivalents)	Financial assets available for sale	Financial liabilities at amortized cost	Net book value	Note
Financial assets					
Cash and cash equivalents	146.078.304	-	-	146.078.304	31
Trade receivables	171.425.588	-	-	171.425.588	7
Other receivables	1.895.953	-	-	1.895.953	8
Financial liabilities					
Financial liabilities	-	-	305.167.914	305.167.914	5
Trade payables	-	-	132.029.205	132.029.205	7
Other payables	-	-	311.494	311.494	8

31 December 2014	Loans and receivables (including cash and cash equivalents)	Financial assets available for sale	Financial liabilities at amortized cost	Net book value	Note
Financial assets					
Cash and cash equivalents	70.544.332	-	-	70.544.332	31
Trade receivables	133.387.549	-	-	133.387.549	7
Other receivables	1.761.631	-	-	1.761.631	8
Financial liabilities					
Financial liabilities	-	-	206.785.937	206.785.937	5
Trade payables	-	-	78.199.991	78.199.991	7
Other payables	-	-	318.121	318.121	8

The Group managent considers the carrying amount of financial assests, except for the ready-to-sell financial assets carried with cost value, represents their fair values.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

29. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (cont'd)

Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active markets are determined with reference to quoted market prices;

- Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

- Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data is calculated using quoted prices.

Based on the fair value hierarchy, the Group's financial assets and liabilities are categorized as follows:

		Balance as 31 December 2015 fair value level		
Financial assets	31 December 2015	Level 1 TL	Level 2 TL	Level 3 TL
Financial investments that do not have a quoted market value recognized at their cost value	10.000	-	10.000	-
Total	10.000	-	10.000	-

30. EVENTS AFTER THE REPORTING PERIOD

On 15 January 2016, an admistrative fine amounting to TL 11.438.135,21 notified by the Competiton Authority with the decision number 16-02/44-14 dated 14 January 2016 to the Batı Anadolu Çimento Sanayii A.Ş as a result of an investigation held on 12 June 2014 with the decision number 14-21/416-M.

On 15 January 2016, the an admistrative fine amounting to TL 4.533.260,95 notified by the Competiton Authority with the decision number 16-02/44-14 dated 14 January 2016 to the Batısöke Söke Çimento Sanayii Türk Anonim Şirketi as a result of an investigation held on 12 June 2014 with the decision number 14-21/416-M.

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

31. CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Cash on hand	57.168	45.272
Cash at banks	146.021.136	70.499.060
Demand deposits	835.710	1.930.493
Time deposits with maturities less than three months	145.185.426	68.568.567
	146.078.304	70.544.332

The group does not have any blocked deposits and maturities of all time deposits are lower than 3 months.

As of 31 December 2015 and 2014, the details of time deposits are as follows:

Currency	Interest rate (%)	Maturity	31 December 2015
TL	4,46 - 10,63	January 2016	14.097.770
USD	2,00 - 2,49	January - February 2016	31.205.201
EURO	2,00 - 2,01	January - February 2016	99.882.455
			145.185.426

Currency	Interest rate (%)	Maturity	31 December 2014
TL	8,08 - 8,63	January - February 2015	12.728.822
USD	1,52 - 2,46	January - February 2015	40.255.892
EURO	1,52 - 2,46	January - February 2015	15.583.853
			68.568.567