SODA SANAYİİ A.Ş.

2011 ANNUAL REPORT

Index

Important Developments in 2011

- The investment for increase in our Mersin Soda Plant's current capacity of 70 thousand tons/year has been completed to a great extent. The capacity has been used fully and turned into sales.
- Our market share and customer portfolio in regions we operate have been extended, the market share has been elevated by increase in the number of the countries and customers that we export to.
- In our Bosnia SSL Plant; the investments to provide productivity growth have been made, and by performing the works for enhancing the market diversity and sales channels, it has become a regional power.
- The investments for capacity increase in Kromsan Plant have been materialized to a large extent. The capacity has been used in full and turned into sales.
- By expanding its product portfolio, Kromsan continues to strengthen its market position.
- The other 50% share of the Cromital S.p.A firm, which our group was a partner with a 50% share and which carries out production and marketing activities in Krom Compounds field was purchased at the end of 2011, and the entire company was incorporated into the structure of Soda A.Ş.
- Soda Sanayii A.Ş. was honored with a commendation by The European Chemical Industry Council (CEFIC) for its sponsorship support to the Project For the Protection of Sea Turtles in Mersin Kazanlı Region.

SODA SANAYİİ A.Ş.

Brief Consolidated Balance Sheets that are prepared according to IFRS*

	2011		2010	
	TL	USD	TL	USD
Current Assets	522	276	355	229
Fixed Assets	703	372	590	382
Total Assets	1.225	648	945	611
Short Term Liabilities	266	141	170	110
Long Term Liabilities	160	85	159	103
Shareholders' Equity	798	422	615	398
Total Liabilities	1.225	648	945	611

Brief Consolidated Income Statements that are prepared according to IFRS*

	2011		2010	
	TL	USD	TL	USD
Net Sales	872	522	660	440
Costs of Sales	(621)	(372)	(507)	(338)
GROSS PROFIT	250	150	153	102
Operating Costs	(87)	(52)	(79)	(52)
Other Operating Revenues	10	6	13	8
Other Operating Costs	(3)	(2)	(3)	(2)
OPERATING PROFIT	170	102	85	57
Impact of Equity Method	8	5	5	3
Financial Costs	38	23	(2)	(1)
Profit/ (Loss) before Tax and Monetary Revenue	216	130	88	59
Monetary Revenue	0	0	0	0
Minority Shares	1	0	3	1
Profit/ (Loss) after Tax and Monetary Revenue	217	130	90	59
Provision of Tax as per Turkish Tax Regulations	(44)	(26)	(22)	(15)
Provision of Deferred Tax as per IAS 12	12	7	2	1
Net Profit / (Loss)	185	110	69	45
Earnings before Interest and Tax (EBIT)	170	102	85	57
Depreciation	54	32	47	31
Earnings before Interest,Tax and Depreciation EBITDA)	224	134	132	88
Cash obtained from Operating Activities	173	104	106	71
Net Financial Debts	42	25	56	38
Profit per Share (for share equal to 1 TL)	0,726		0,273	

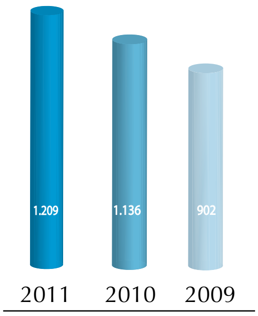
Financial Ratios

	2011	2010
Current Assets /Short Term Liabilities	1,96	2,09
Total Liabilities / Total Assets	0,35	0,35
Total Liabilities /(Shareholders' Equity)	0,53	0,54
Net Financial Debts /Total Assets	0,03	0,06
Gross Profit / Net Sales	0,29	0,23
Activity Profit / Net Sales	0,20	0,13
EBIT/Net Sales	0,20	0,13
EBITDA/ Net Sales	0,26	0,20
Net Financial Debts /Shareholders' Equity	0,05	0,09

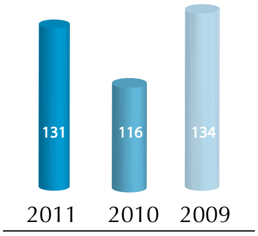
* Totals are expressed in Million TL and Million USD

SODA FACTORY

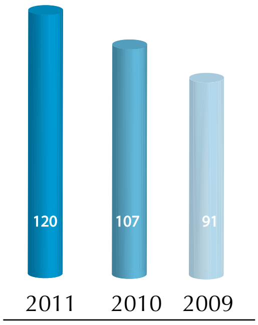
Total Production (ooo Ton)



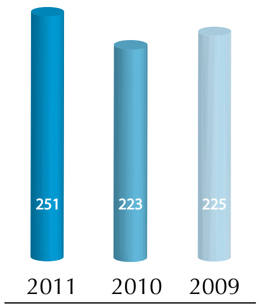
Domestic Sales (mio Fob/$)



Export (mio Fob/$)

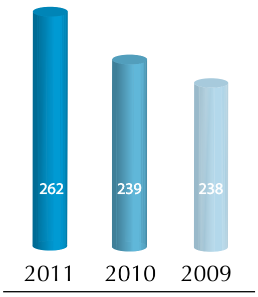


Total Sales (mio Fob/$)

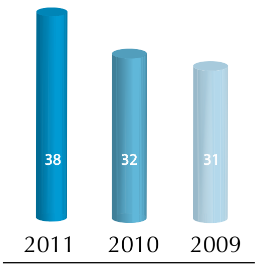


KROMSAN FACTORY

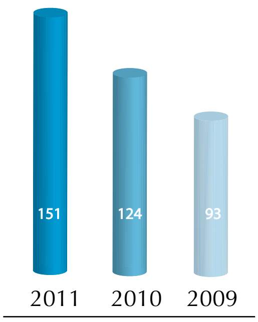
Total Production (ooo Ton)



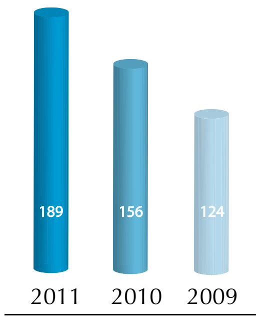
Domestic Sales (mio Fob/$)



Export (mio Fob/$)

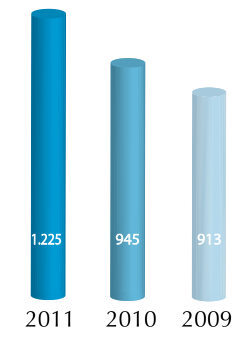


Total Sales (mio Fob/$)

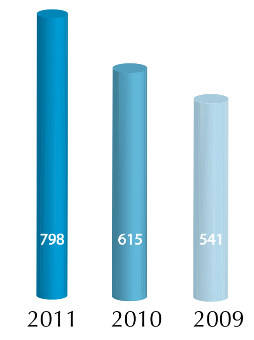


CONSOLIDATED

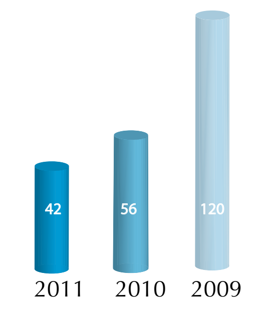
Total Assets (ooo TL)



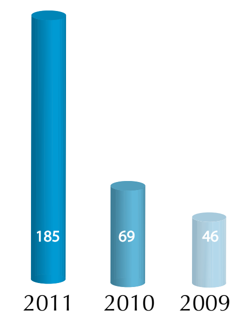
Shareholder's Equity (mio TL)



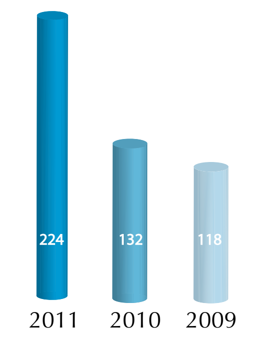
Financial Depts (mio TL)



Net Profit (mio TL)



EBITDA (mio TL)



BOARD OF DIRECTORS

Sabahattin Günceler
Chairman

(61) He completed his education in Middle East Technical University Chemical Engineering department in 1978, and started his business life in Azot Sanayii T.A.Ş. Joining Şişecam in 1982, Günceler take charge in various management levels in research and production, and assumed the General Directorate of Camiş Elelektrik Üretim A.Ş. (Electricity Generation Inc) in 1997. Günceler was assigned to the Chemicals Group Presidency as of February 2011. Sabahattin Günceler who is the executive director according to the SPK Corporate Governance Principles is not an independent member. Sabahattin Günceler have been in charge in Executive Boards of the Group Companies for the last ten years and currently he is acting as the Chairman of the Executive Board in Soda Sanayii A.Ş., Cam Elyaf Sanayii A.Ş., Camiş Madencilik A.Ş., Madencilik Sanayii ve Ticaret A.Ş., Oxyvit Kimya Sanayii ve Ticaret A.Ş., Sintan Kimya Sanayii ve Ticaret A.Ş., Dost Gaz Depolama A.Ş., Cromital S.p.A, Şişecam Shanghai Trading C.O. L.T.D., Camiş Elektrik Üretim A.Ş.,Şişecam Soda Lukavac D.O.O.,Asmaş Ağır Sanayi Makinaları A.Ş., and as the Vice Chairman of the Executive Board in Solvay Şişecam Holding A.G. and as a Board Member in Solvay Sodi A.D.

Hilmi Selçuk Çepni
Vice Chairman

(43) Mr. Çepni who is a graduate from Marmara University Business School worked as an examiner and administer at diverse levels in T. İş Bankası A.Ş. where he took office in 1992, and he was assigned as the Human Resources Assistant Manager between 2000-2004, as the Vice Chairman of the Inspection Committee between 2004-2007, and as Altunizade Branch Director in 2007. He was transferred to the Commercial Branch Directorate in 2008. He has been carrying on his duty as the Credit Risk Management and Protfolio Monitoring Department Head since 2011 and also acting as Vice Chairman of the Executive Board since 11.04.2011. Hilmi Selçuk Çepni who is a non-executive director according to the SPK Corporate Governance Principles is not an independent member.

Tahsin Burhan Ergene
Member

(46) He was graduated from Istanbul Technical University Engineering Faculty Mechanical Engineering Department in 1989, and received Masters Degree from Istanbul University Institute of Business Economics in 1990. He started his career in the Group as the Foreign Sales Representative in Camtaş Düzcam Pazarlama A.Ş. in 1990. He was promoted and assigned as the Customer Product Chief in Cam Ambalaj Pazarlama A.Ş.in 1995, Marketing and Sales Director in Camiş Ambalaj Sanayii A.Ş.and Marketing Director in Camsar Sanayii Ara Malları Pazarlama A.Ş.in 1998, and Soda Sanayii A.Ş. Cromium Foreign Sales Director in 2000, Chromium Sales Director in 2009 and to Vice Presidency of Marketing and Sales in 2011. Additionally he has been carrying on his Board Member duty since 14.02.2011. Tahsin Burhan Ergene who is an executive director according to the SPK Corporate Governance Principles is not an independent member.

Aytaç Saniye Mutlugüller
Member*

(57) She was graduated from Boğaziçi University Faculty of Administrative Department of Business Administration in 1979. She took office as Planning and Quality Control Chief in Bestaş Bursa Empirme Sanayii A.Ş.in 1980. In 1982, she continued her duty as Assistant Specialist in Türkiye Şişe ve Cam Fabrikaları A.Ş. Financing Management and between 1988-1992 in specialist positions, and she was promoted to Assistant Financing Directorate in 1995, to Foreign Corporate Investments and Financial Relations Directorate in 2003, and to Vice Financing Presidency within Financial Operations Group Presidency in 2007. Additionally, she has been executing board of directors membership since 31.08.2010. Mutlugüller, who is a non-executive director according to the SPK Corporate Governance Principles is not an independent member.

Gizep Sayın
Member

(50) He was graduated from Boğaziçi University Industrial Engineering Department in 1985, and received his Master's Degree from İstanbul Technical University Management Engineering Department in 1988. He started to work as Assistant Planning Specialist in Planning and Economic Research Directorate in Şişecam Group in 1989, Mr. Sayın was assigned as Planning Specialist in 1992, Planning Manager in Chemicals Group in 1994, Assistant Presidency of Business Development and Strategic Planning in 2009 and promoted to T.Şişe ve Cam Fabrikaları A.Ş. Vice General Directorate of Planning as of 01.02.2011, and he has been carrying out Soda Sanayii A.Ş. Board of Directors membership since 14.02.2011. Gizep Sayın who is a non-executive director according to the SPK Corporate Governance Principles is not an independent member.

Candan Sevsevil Okay
Member

(43) She was graduated from Ankara University Faculty of Political Sciences International Relations Department in 1990. She took office as Assistant Credit Specialist in T.İş Bankası A.Ş. Başkent-Ankara Branch in 1991. She executed Credit Specialist and Assistant Manager duties until 2000, and she was assigned to İstanbul 3. region Deputy Director in 2004 and to Commercial banking Marketing manager in 2007, and she currently carries on TİBAŞ – Sme Credits Allocation Department – Unit Directorate duty. Additionally she has been executing Soda Sanayii A.Ş. Board of Directors membership since 23 May 2008. Okay who is a non-executive director according to the SPK Corporate Governance Principles is not an independent member.

Zeynep Hansu Uçar
Member*

(40) She completed her education in METU faculty of Economics and Administrative Sciences Department of Business Administration, and started her business life as Assistant Investment Specialist in Türkiye İş Bankası A.Ş. Affiliates Department in 1994.
In the same department, she took charge in management levels as responsible for various group companies, and she has been carrying on Affiliates Department Unit Manager duty since 2007. She has been in charge as Board of Directors member and Supervisory Board Member of Soda Sanayii A.Ş.,Anadolu Cam Sanayii A.Ş.and Trakya Cam Sanayii A.Ş. since 2010, and she has been carrying on her duties as Member of Board of Directors of Kültür Yayınları İş-Türk Ltd. Şti., and Member of Management Board of Anadolu Cam Yenişehir Sanayii A.Ş., Camiş Madencilik A.Ş., Çayırova Cam Sanayii A.Ş. , Paşabahçe Cam Sanayii ve Ticaret A.Ş. Trakya Yenişehir Cam Sanayii A.Ş. ,Trakya Polatlı Cam Sanayii A.Ş, and Paşabahçe Mağazaları A.Ş., Vice President of the Executive Board of Cam Elyaf Sanayii A.Ş., Member of Management Board of Türkiye Şişe ve Cam Fabrikaları A.Ş. ,Anadolu Cam Eskişehir Sanayii A.Ş. and Arap-Türk Bankası A.Ş. since 2011 and as Member of Board of Directors of Camiş Yatırım Holding since 27.03.2012. Zeynep Hansu Uçar who is a non-executive director according to the SPK Corporate Governance Principles is not an independent member. Uçar has executed duties as member of management and supervisory boards in various group companies of Türkiye İş Bankası A.Ş. and Türkiye Şişe ve Cam Fabrikaları A.Ş.since 2004.

* They are Members of Audit Committee.
Board Members are appointed for the period of 08.04.2011-08.04.2014 and their authorities are determined by the provisions of the Turkish Commercial Code and Articles of Incorporation.
The Management Board came together 38 times within the year and 29 of these meetings were conducted with full participation while 8 of it were conducted with one absentee and 1 of it was conducted with two absentees.

BOARD OF AUDITORS

Auditor	Haşim Yeşilköy	08.04.2011-08.04.2012
Auditor	Salim Zaimoğlu	08.04.2011-08.04.2012

Power of the Supervisory Board is determined according to the provisions of the Turkish Commercial Code and the Articles of Association of the Company.

DIRECTORS

Hidayet Özdemir	Deputy Chairman of Production
Tahsin Burhan Ergene	Deputy Chairman of Marketing and Sales
Cihan Sırmatel	Financial Affairs Director of Chemicals Group
Kevser İnceler	Planning Group of Chemicals Group
İmran Eroğul	Human Resources Director of Chemicals Group
Mehmet Gürbüz	General Manager
İlham Güven	Asmaş General Manager
Umut Barış Dönmez	Şişecam Soda Lukavac General Manager
Yalçın Orhan	Oxyvit Kimya San. A.Ş. General Manager

BOARD OF DIRECTORS REPORT

Dear Shareholders;

We kindly submit for your examination and approval the consolidated financial statement which was prepared according to IAS/IFRS within the frame of the Communique Serial XI No: 29 and which is about the activities regarding the period of 01.01.2011-31.12.2011 of Soda Sanayii A.Ş. that has completed its 43rd activity year.

Our company is involved among the Türkiye Şişe ve Cam Fabrikaları A.Ş. Chemicals Group. Our Institution was attentive with the accustomed devotion to fulfill its duties and responsibilities that it was assumed in order to enhance its contributions to the strength of the country economy in 2011 as well, and despite all unfavorablenesses encountered in the world and in our country it has completed its 43rd activity year with success as well.

Developments and Expectations for 2011 and 2012 in the World and in Turkey

A. World Economy

The deepening of the global economic crisis in 2009 was followed by a stationary recovery period in 2010; in 2011 however, the economical uncertainties and crisis scenarios became the current issues again.

The high indebtness ratio of the economies in Europe came into prominence further after Greece was faced with the risk of going into default. The concerns about the future of the economic union of the heavily indebted European Countries and eventually of the Europe were increased. Therefore, it is thought that the year 2012 will be a year in which the future of EU and Euro will be shaped.

While USA is struggling simultaneously against high indebtness and economic recession, Standard & Poor's decreased the credit rating of the country for the first time after 70 years. However, as a result of the developments between the USA and Iran; the possibility of Iran's threat to cease oil supply and reflection of this threat to the oil prices are envisaged.

The emerging markets sustained growth in 2011.

On the other hand, the fact that the demand might not be at its previous levels since the debt problems in developed countries will continue and require structural changes carries

a meaning that the Chinese economy which shows an export-oriented growth will be in a need to make structural changes such as increasing its domestic consumption and improve its income level.

The world economy which grew 4,8 in 2010 is estimated to grow 4,2% in 2011. It is expected that the developing countries will constitute the dynamic element in this growth again with 6,3% while the growth of the developed countries will be at low levels with 1,6% on the other hand.

The commodity prices followed a stable course with slight incrementation. This course is also expected to continue in the next period.

The unemployment deepened with the global economic crises particularly in developed countries maintains its importance. The USA economy is going through the longest-continued high unemployment period since the great depression and this process still continues.

The Debt/GDP ratio in G7 countries aggregation was realized as 9,3% in 2010. The decrease of the high indebtness ratios which affect especially the European countries constituted one of the most important agenda of the 2011. None the less, state aids and social expenditures were cut back on in many European countries particularly in Greece. It is assessed that this situation will also maintain its importance in the following period.

It is predicted that the year 2012 will be a year involving quite a lot uncertainties for global economy. Financial tightening policies are expected to be put into practice in developed countries due to high debt burden. It is envisaged that the product increases encountered in developing countries in 2010 and 2011 might not be long lasting and that the foreign demand weakness will be a significant risk element for the export-oriented growing economies. It is probable that such countries will materialize the policies for revitalizing of domestic demand in 2012.

B. Economy of Turkey

The indicators such as industrial production and capacity utilization that were announced in the last months of the year in Turkey which grew 12%, 8,8% and 8,2% in the first, second and third quarters of 2011 respectively and which gets a share of 1,1% of the world economy have increased the expectations that there will be a strong growth within the range of 7,5%-8,5% also in the last quarter. The dynamic progress of the domestic demand has had an influence on the growth rate.

The financing of the growth with capital inflows, thus its sustainability, have been frequently discussed due to the high current account deficit level (approximately 10% of GNP) we witnessed in 2011. However the constriction in current deficit encountered since November brought along “soft landing” discourses for 2012. The leading indicators such as the consumer confidence index and capacity utilization that were obtained at the beginning of the year, strengthen the anticipations that there will be gradual deceleration in economy, supporting this discourse. Except for the IMF’s pessimistic estimation of 0,4%, the growth forecasts of the international institutions for 2012 are at around 3% levels. In the 2012-2014 Medium-Term Program however, the growth target was stated as 4%.

The inflation which started to increase by the depreciation of the Turkish Lira especially in the third quarter of the year finished the year 2011 over the targeted level with 10,45%, and increased more than twofold of the world average. These developments resulted in the intense intervention of the Cenral Bank Of Turkey (TCMB) in the foreign exchange markets by focusing on the policies for price stability. In the Inflation Report issued in January, the institution emphasized that the tight stance in the monetary policy should continue for a while longer for consistency of the inflation outlook with the targets, and announced a forecast interval the mid point of which is 6,5% for 2012.

The central administration budget deficit dropped from its level of 40 billion TL in 2010 to 17,4 billion TL in 2011. Thus, the ratio of the budget deficit to GDP was realized as 1,4% remaining below the level of 1,7% targeted in the 2011 medium term program. The ratio of public gross debt stock to GNP was decreased to 39% in 2011 as well.

The 2011 unemployment rate that was anticipated to be 10,5% in the Medium-Term Program was realized as 9,8%, the non-agricultural unemployment was 12,4% as well.

The financing of the economic growth in Turkey by the external resources also increases the vulnerability to the developments abroad. For this reason, the developments in Europe and USA will be determinative on the economic performance of 2012. The continuation of monetary expansion in USA will help in achieving high growth depending on strong progression of capital inflows, continuation of credit increase within the country and also on export performance. However, a crises deepening in Europe will adversely affect our export as well the economy by causing the hot money (short-term capital inflows) to escape. On the other side, in both scenarios, due to our dependency on foreign energy, the course of the oil prices in the next period that raised to 115$ in 2011 will be one of the elements to determine the performance.

As a conclusion, the inevitablessness to meet the resource requirement needed to sustain the growth from the external resources due to insufficiency of savings ratio necessitates to act rationally in every value generation stages of the economy.

2011 Year Activities

Soda Sanayii, in line with the global economic developments, increasing its operations in emerging markets, exhibited a stable and successful performance with its product and service quality in 2011.

The markets that entered in a recovery process in soda sector as of 2010, despite the political uncertainties in North Africa and the Middle East and

the regional economic problems encountered in Europe, showed an improvement beyond the expectations in 2011.

Assessing the regional demand, it is seen that the growth takes course over the world average in China and India, at world averages in the USA, Russia, the Middle East and Southeastern Asia, and below the world growth rate in Europe and Africa.

In the domestic markets, the dynamism of the construction sector increased the glass demand, and this had a substantial contribution to the soda consumption. In the textile sector where our products are used as auxiliary product however, a growth close to 8% was recorded in Turkey. The enhancement by the local manufacturers in the detergent sector of their exports in line with the increasing demand in the close markets was reflected favorably in the domestic soda consumption.

In the soda product line, compared to the previous year a more successful year was lived in 2011, and a performance over the determined tonnage and turnover targets was shown in the export and domestic market sales. The total sales turnover of the soda products in 2011 increased by 29% compared to the previous year.

Similarly, the market penetration and customer portfolio were expanded in 2011 in the regions we operate, and the market share was enhanced by increasing the number of the countries and the customers that were exported from our Mersin plant.

Soda Sanayii, with its 1,9 million ton soda production level in total in Mersin and Bosnia facilities and Solvay Sodi plant with which it has a production partnership with a share of 25% ranked as the fourth major in Europe and among the first ten manufacturers in the world. 56% of our total sales from these three plants were realized as international sales.

Our SSL Plant became a regional power as a result of the successful works for the enhancement of the market diversity and sales channels.

Brandization of sodium bicarbonate product which has a wide range of usage areas has been continued throughout 2011 by improvements especially in the fields of hemodialysis, farma, flue gas treatment and sanding. Coming together with the white meat producers that are among the emerging markets in Turkey was ensured by participating in the 1st International White Meat Congress in 2011 at which our Sodium Bicarbonate product, which is an important additive in the poultry feed industry as well as other numerous industry branches, was discussed.

In the world chromium compounds sector, the positive trend that was started in 2010 continued in the first half of 2011, in the second half of the year however, partial contractions were encountered in the leather and metal coating sectors where chromium chemicals are used intensely. Nevertheless, the tonnage targets that were determined for the export and domestic market sales were achieved as of the year-end of 2011 and turnover targets were exceeded. In the sales revenues in 2011, an increase of 33% was ensured compared to the previous year, and 81% of the sales was to the international markets.

Kromsan Chromium Compounds Plant which is the world leader in Basic Chromium Sulphate product is among the leading facilities of the world in the product quality, production technology and environmental standards.

The remaining 50% share of Cromital S.p.A firm that our Group had been a partner with a share of 50% and which carries out manufacture and marketing activities in chromium compounds field in Italy, and the entire firm was incorporated in to the structure of Soda Sanayi.

Also, important developments were accomplished in terms of product in 2011. Our Chromium III product portfolio consisting of Chromium Nitrate and Chromium Chloride for metal coating sector was enlarged by the participation of Chromium Hydroxyl Chloride and Chromium Nitrate CN125, the specialty products of this group.

By utilizing the production capacity in the existing plants at optimum levels, strengthening our position in the markets with high potential and profitability that are strategic for us, additionally maintaining production and marketing activities for new products with high added-value are among our main objectives in 2012.

Soda Sanayii A.Ş. participated in All China Leather Fair / Shanghai-China; Shoes & Leather Exhibition / Guangzhou - China; FIMEC Leather Fair / Novo Hamburgo – Brasil exhibitons about the Chromium Chemicals.

Our corporation was honored with a commendation by The European Chemical Industry Council (CEFIC) for its sponsorship support to the Project For the Protection of Sea Turtles in Mersin Kazanlı Region. Soda Sanayii was also participated with the same project in the European Responsible Care Awards 2011 organization which was held again by the CEFIC and was deemed worthy for the compliment award.

Our Investments

The capacity increase investment of 70 thousand tons/year in Mersin Soda Plant and investments for our Salt enterprise have been substantially completed and the production was increased. In line with these investments, our modernization investments focused on strengthening of enterprise performance and increase of the productivity are going on.

The productivity increase investments in SSL plant which are among the most significant steps of our global growing strategy in soda markets have been made, and full-capacity utilization was realized.

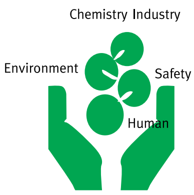
R&D investments regarding the development of products for the new usage areas in Refined Sodium Bicarbonate product and developing our Chromium III product portfolio have been continued.

Investments for capacity increase in Kromsan Plant were completed to a great extent. Furthermore, in our plant which has become a world leader in Basic Chromium Sulphate production, modernization investments have been maintained in order to reduce costs, increase productivity, use our raw material and energy inputs efficiently and enhance our competitiveness.

Dividend Rates Paid in the Last Three Years

A dividend of 10%, 10% and 7,5% were paid for the years 2008, 2009 and 2010 respectively.

Environment, Health, Safety and Quality



Soda Sanayi A.Ş. has continued the implementation of managements systems in order to manage all its activities in pursuance of the environment, and health and safety of its employees, customers and close surrounding.

In 2011;

- In Soda and Kromsan Plants, interim audits for ISO 9001:2008 Quality Management System, for ISO 22000 Food Safety Management System with respect to our refined bicarbonate product and for GMP+, Kocher and Halal Certificate,
- Audits for ISO 14001 Environment management System which is implemented as the “Integrated Management System” and OHSAS 18001 Occupational Health and safety Management System, were gone through with success.
- Product Conformity Certificates” for our Soda and Chromium products were renewed.

Responsible Care works that are carried out as a voluntary application in the world chemical industry have been carried on also in 2011. Within this scope besides the management systems the following implementations were realized as the communication activities;

- an activity of planting 2000 trees
- 10th of the traditional “The Nature and Environment” themed painting contest among the Elementary Schools,
- Visiting requests from schools and non-governmental organizations.

Moreover, as a sponsor, it gave support to the protection of the sea turtles project of the Ministry of Environment in and Urbanization in Kazanlı and to Mersin International Music Festival.

A commendation was awarded by participating in the contest held by the European Chemical Industry Council (CEFIC) within the scope of the 2011 Responsible Care with our project of giving support as a sponsor the “Sea Turtles Protection Project”.

Soda Sanayi A.Ş. will continue to execute its activities with social responsibility conscious, without comprimising quality, and giving importance to the environment, occupational health and safety implementations.

REACH

Soda Sanayii A.Ş., as a company with a significant export to EU both in soda and chromium products, has completed its product records in 2010 so as to fulfill its obligations under the REACH directive which has a great importance for the European Union, and the developments were followed in 2011. The preparations which are planned by the European Chemicals Agency (ECHA) within the scope of Reach and required from the manufacturers were initiated.

Human Resources Activities

As of year-end of 2011;

1769 persons are employed in our companies, 710 of which are monthly-waged and 1059 are hourly-waged personnel.

The payments for wages and social benefits of our monthly and hourly-waged personnel were made in time as were in the previous years. Additionally;

Personnel selection and placement, pricing and orientation applications, Hourly-Waged Performance Evaluation System applications and evaluation of their results,

Other Human Resources activities such as determination of training requirements and education planning were conducted.

The validity period of the Collective Labor Agreement covering the period of 2010-2011 that was signed with Petrol-İş Union in Soda Sanayi A.Ş. expired on 31.12.2011, and the negotiations for the Collective Labor Agreement for the period of 2012-2013 was started with the relevant authorized union.

In our Şişecam Soda Lukavac Plant, the validity period of the Collective Labor Agreement covering the year 2011 expired on 31.12.2011 and the negotiations for 2012 were started in January and the agreement was concluded on 07.02.2012.

In Asmaş Ağır Sanayii Makinaları A.Ş. the execution of the Collective Labor Agreement signed by Türk Metal Union and Mess that we are a member of are continuing

Research and Development Activities

Our R&D activities are being carried out in line with the mission to ensure that the existing processes in the production of soda and chromium compounds are of the low-cost and environment-friendly technologies, the product diversity is enriched with the high added-value and innovative products, the threats are turned into opportunities with proactive projects, product and process development skill is brought up to such a level that will not require a complete “know-how” transfer from abroad. Our projects avail of the TÜBİTAK-TEYDEB Industry R&D Projects Support Programs.

Soda Product Group:

In 2011, the soda process was transcribed into the modeling environment with the simulation program, the validation works for the use of solid waste in cement were completed, the results of the process modification for the reduction of calcium hydroxide in solid waste were monitored, diversified usage areas of sodium bicarbonate were studied, works for increasing the carbonation and filtration efficiency of the soda facility were started, laboratory tests regarding producing calcium carbonate precipitated from liquid wastes were performed, scope enlargement works were carried out in our laboratory having the certificate of conformity with the “ISO/ IEC 17025 General Requirements for the Competency of the Test and Calibration Laboratories” standard.

In 2012, the simulation works will be carried on, solar drying of the solid wastes will be studied, the researches for creating new usage areas of sodium bicarbonate will be carried on in co-operation with the university, feasibility studies will be done for the production of new products with high added-value, the works for increasing carbonation-filtration efficiency will be continued, soda analysis methods will be studied, pilot experiments will be started for the production of precipitated calcium bicarbonate, 17025 scope enlargement works will be carried on with new analysis.

Chromium Product Group:

In 2011, recipe development and application works for use of our new tanning product that was originally developed for ovine hides in tanning of bovine hides were carried on, the chromium citrate and chromium hydroxyl nitrate production methods were developed, oven works for developing a distinct sodium bichromate production process was completed, the installation of surface treatment technologies laboratory was started, possibility of transforming the sodium sulphate into new products was investigated, producing ferrite from wastes was studied.

In 2012, works for use of our new tanning product in bovine hides will be carried on, chromium phosphate production method will be studied, the extraction of sodium monochromate from the cake that is obtained within the scope of the study of developing a different sodium bichromate production process will be examined, the installation of surface treatment technologies development laboratory will be completed, researches for recycling of vanadium and chromium from the sludge will be started on. Furthermore, industrial symbiosis program will be followed.

Information Regarding Our Companies Going Through Consolidation

Oxyvit Kimya Sanayii ve Ticaret A.Ş.

The company was established in Tarsus Organized Industrial Zone in 1996. Its business segment is the manufacture and marketing of Vitamin K3 and its derivatives. This is a high added-value product that is used as additive in animal feeds particularly for poultries. Oxyvit which is one of the limited number of manufacturers in the sector and has an important place within the world capacity exports more than 90% of its production. The foreign partner of Oxyvit is Cheminvest S.p.A which is active in chemical trade. The Soda A.Ş.'s share in the company is 44%.

Şişecam Bulgaria Ltd.

This company of ours the center of which is located in Varna trades soda products in Bulgaria.
Soda Sanayii A.Ş. owns 100% of the company.

Solvay Şişecam Holding A.G.

The company having its center in Vienna is a stock corporation that was established in 1997 to participate in Solvay Sodi AD in Bulgaria.
The share of Soda Sanayi A.Ş. in the company capital is 25%, while the share of the other principal partner Solvay Deutshland G.m.b.H is 75%.

Sisecam Soda Lukavac d.o.o

The company was established in Tuzla Canton Bosnia & Herzegovina Federation in 2006.
Our share in the company is 88,37%. The rest of the shares are owned by a company affiliated to Tuzla Canton Government.

Asmaş Ağır Makine Sanayii A.Ş.

The company which was established in İzmir in 1976, with its specialist technical personnel and the certificates it has, is one of the significant manufacturers in heavy machinery industry in its region.
Asmaş, with its quality and timing sensitivity, is a preferred service provider in complete plant installation, producing project and technology, manufacturing of equipments used by many industrial sectors including soda sector. Iron-steel, cement, energy sectors and defense industry constitute the other important sectors that Asmaş provides service to. Soda Sanayii A.Ş. incorporated Asmaş among its affiliates in 2008 and its share in the company capital is 84,98%.

Cromital S.p.A.

The company was established in Bergamo/Italy in 1992. Soda Sanayii A.Ş. incorporated Cromital by purchasing 50% of the company in 2005, and purchasing the remaining 50% share of the company from Cheminvest S.p.A.in 2011, owns 100% of the company shares.

Cromital is a company that produces Basic Chromium Sulphate which is an essential chemical used in leather industry and markets its products mainly in Italy which is an important leather industry.

Dost Gaz Depolama A.Ş.

The company was established in Istanbul in 2010, and its area of activity is storage and trade of natural gas. Our share in the company capital is 84,94%.

Sintan Kimya Sanayi ve Ticaret A. Ş.

The company was established in İzmir Menemen Leather Free Zone in August 2006.

It is engaged in production, marketing within and out of the country, exporting and importing of leather chemicals, industrial chemicals and auxiliary chemicals, and finished goods, semi-finished goods and other goods related with them.

Since it is adopted not to engage in production activities in this product group due to the market conditions in this area and within the scope of the re-structuring works that entail Sintan Kimya Sanayii Ticaret A.Ş. which is among our Joint Managing Companies to focus on its main activities, all of the Company shares were sold on 19.04.2012, and share transfer transaction was completed and all of the sale value was collected.

DISTRIBUTION OF CONSOLIDATED PROFIT OF 2011

It was decided that not to distribute but to reserve within the company the net consolidated financial statement profit of 2011 amounting 184.551.444 TL in our consolidated financial statement for 2011 that had been prepared in accordance with the Capital Markets Board (“SPK”)’s “Communique on Principles of Financial Reporting in Capital Market” Serial:XI, No.29, considering our companies long-term strategic growth targets and the investment volume planned for 2012, and to segregate it as stated in the annex as per the SPK’s regulations on profit distribution and article 31 of Articles of Incorporation,

and to submit the matters regarding the profit distribution for the opinion and approval of the General Assembly of the Shareholders’ to be held on 24 May 2012.

Profit Distribution Table of Soda Sanayii A.Ş. 2011 (TL)

1.	Paid-up/Issued Capital		254.100.000,00
2.	Total Legal Reserves (as per legal records)		24.818.316,97
	Information regarding privilege, if any regarding the profit distribution as per the main contract		
		As per Financial Markets Law (Consolidated)	**As per legal records (Solo)**
3.	Profit of Period	217.023.021,00	236,985,021.31
4.	Taxes to be paid (-)	(32,471,577.00)	(45,899,090.23)
5.	**Net Profit of Period**	**184,551,444.00**	**191,085,931.08**
6.	Loss of Previous Years (-)		
7.	First Class Legal Reserve (-)	(9,554,296.55)	(9,554,296.55)
8.	**NET DISTRIBUTABLE PROFIT OF PERIOD**	**174,997,147.45**	**181,531,634.53**
9.	Donations in the year	58,789.57	
10.	Net Distributable Profit of Period including Donations, on which first dividend will be calculated	**175,055,937.02**	
11.	First dividend to shareholders		
	- Cash		
	- Bonus share		
	- Total	**0,00**	
12.	Dividend to holders of jouissance shares		
13.	Dividend distributed to members, employees etc.		
14.	İntifa Senedi Sahiplerine Dağıtılan Temettü		
15.	Second divided to shareholders		
16.	Second Class Legal Reserves		
17.	Statute Reserves		
18	Special Reverves		
19.	**EXTRAORDINARY RESERVES**	**174,997,147.45**	**181,531,634.53**
20.	**Other Resources That Are Envisaged to be Distributed** - Previous Year Profit - Excess Reserves - Other Reserves That Are Distributable As Per the Law and Articles of Incorporation		

INFORMATION ON THE DIVIDEND RATIO DISTRIBUTED

DIVIDENT PER (1) SHARE

	GROUP	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND PER SHARE WITH 1 TL NOMINAL VALUE	
			AMOUNT (TL)	RATIO (%)
GROSS	A			
	B			
	TOTAL		**0,00000**	**0,000**
NET	A			
	B			
	TOTAL	**0,00**	**0,00000**	**0,000**

RATIO OF DISTRIBUTED DIVIDEND TO NET DISTRIBUTABLE PROFIT OF THE PERIOD INCLUDING DONATIONS

AMOUNT OF DIVIDEND DISTRIBUTED TO SHAREHOLDERS (TL)	RATIO OF DISTRIBUTED DIVIDEND DISTRIBUTED TO SHAREHOLDERS TO NET DISTRIBUTABLE PROFIT OF THE PERIOD INCLUDING DONATIONS (%)
0	0,00

We kindly declare that we deem it a great honor to present before you our appreciation to all our shareholders, customers and our company's managers, officers and workers for their efforts to acquire the results we have presented.

Kindest regards,

On behalf of the Board of Directors,

The Chairman

Sabahattin Günceler

SODA SANAYİİ A.Ş.
SUPERVISORY BOARD REPORT FOR 2011
To The General Assembly of Soda Sanayii A.Ş.

Title	: Soda Sanayii A.Ş.
Head office	: İstanbul
Capital	: 254.100.000,- TL
Subject of activity	: Light soda, heavy soda, sodium bicarbonate, other soda Derivatives and to establish factories for the production of soda and other soda-relevant and soda-derivative products, to participate to these factories.
Names and terms of office of Auditors, and whether they are partners or employees of the Company	: Haşim Yeşilköy (08.04.2011-08.04.2012) Salim Zaimoğlu (08.04.2011-08.04.2012) The auditors are not company partners or employees.
Number of Board of Management meetings participated and number of board of auditors meetings held	: The Board of Directors meeting were participated 6 times 4 Board of Auditors meetings were held
Partnership accounts, scope of examinations made on books and documents, date of examinations, and the result obtained	: On examinations made on company books and documents in the dates February 15, 2011, July 19, 2011 October 19, 2011 and December 28, 2011, it was observed that the books were kept in conformity with the laws and generally accepted accounting principles.
Number of inventories taken at partnership treasury according to Article BSB clause I, paragraph 3 of the Turkish Commercial Code, and the results of these inventories.	: The inventory of the Company's treasury was taken 5 times during the year 2011 and the results of these inventories are in conformity with the records.
Dates of examinations made pursuant to Article 353, clause I, paragraph 4 of the Turkish Commercial Code, and the results thereof	: Following the examinations made on January 11, 2011, February 17, 2011, March 7, 2011, April 20, 2011, May 5, 2011, June 13, 2011, July 28, 2011, August 5, 2011, September 7, 2011, October 21, 2011, November 28, 2011, December 19, 2011 and January 18, 2012 it was determined that all kinds of valuable papers, which were delivered, as pledge, security, or in order to be protected in the Company treasury, in safe custody, were present, and they were in conformity with enquiries and records
Complaints and malpractices submitted, and actions taken concerning these.	: No complaint of malpractice occurred.

We have examined the accounts and transaction of Soda Sanayii A.Ş. for the period of 01.01.2011-31.12.2011 in accordance with the Turkish Commercial Code,articles of association and other regulations and generally accepted accounting principles and standards. According to our opinion, the attached financial statement that was prepared as of 31.12.2011 and the content of which is adopted by us reflects the true financial standing of the association for the said period, and the income statement for the period of 01.01.2011-31.12.2011 reflects the true activity results, and the proposal for the distribution of the profit is found to be in compliance with the laws and articles of association.

We kindly submit for your voting the approval the Financial Statement and the Income Statement and release of the Board of Directors.

AUDITOR

Salim Zaimoğlu **Haşim Yeşilköy**

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavir A.Ş.
BJK Plaza, Süleyman Seba Cad.
No.48 B Blok Kat.9
34357 Akaretler Beşiktaş
Istanbul, Turkey

Tel : (212) 326 60 60
Fax : (212) 326 60 50
www.pwc.com.tr

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Soda Sanayii A.Ş.

1. We have audited the accompanying consolidated balance sheet of Soda Sanayii A.Ş., its subsidiaries and its joint ventures (collectively referred to as the "Group") as of 31 December 2011, and the related consolidated statement of 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 notes..

Management's Responsibility for the Financial Statements

2. The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting standards accepted by the Capital Markets Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the auditing standards issued by the CMB. Those Standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 Group'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 Group'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 opinion.

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Soda Sanayii A.Ş. as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards accepted by the CMB (Note 2).

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Haluk Yalçın, SMMM
Parner

İstanbul, 16 March 2012

SODA SANAYİİ A.Ş.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Consolidated Balance Sheet as of 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

ASSETS	Notes	31 December 2011	31 December 2010
Current Assets		**521,846,318**	**354,453,868**
Cash and cash equivalents	6	197,145,157	139,446,225
Trade receivables	10	169,506,594	110,748,287
-Due from related parties	10, 37	106,416,189	82,484,625
-Other trade receivables	10	63,090,405	28,263,662
Other receivables	11	36,350,606	17,420,442
-Due from related parties	11, 37	21,799,263	15,079,483
-Assets related to ongoing construction contracts	11, 15	13,683,782	1,785,892
-Other receivables	11	867,561	555,067
Inventories	13	92,059,683	67,211,298
Other current assets	26	26,784,278	19,627,616
Non-Current Assets		**702,947,349**	**590,315,461**
Other receivables	11	106,668	61,564
Financial investments	7	29,130,519	41,545,760
Investments accounted for under equity method	16	138,406,268	123,207,505
Property, plant and equipment	18	517,170,177	421,203,976
Intangible assets	19	1,762,747	2,540,298
Goodwill	20	4,899,103	-
Deferred tax assets	35	414,028	31
Other non-current assets	26	11,057,839	1,756,327
TOTAL ASSETS		**1,224,793,667**	**944,769,329**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Consolidated Balance Sheet as of 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

LIABILITIES	Notes	31 December 2011	31 December 2010
Current Liabilities		**266,355,529**	**169,969,381**
Financial liabilities	8	62,583,747	59,071,903
Trade payables	10	88,213,109	48,059,675
-Due to related parties	10, 37	33,963,614	16,612,355
-Other trade payables	10	54,249,495	31,447,320
Other payables	11	75,041,472	34,978,548
-Due to related parties	11, 37	63,952,136	30,096,261
-Other payables	11	11,089,336	4,882,287
Corporate tax payable	35	8,319,573	7,057,488
Provisions	22	4,301,878	2,793,046
Provisions for employment termination benefits	24	2,094,444	1,400,188
Other liabilities	26	25,801,306	16,608,533
Non-Current Liabilities		**160,463,311**	**159,376,893**
Financial liabilities	8	134,051,113	121,821,736
Other payables	11	382,609	94,630
Provisions for employee termination benefits	24	19,373,100	18,599,615
Deferred tax liabilities	35	6,652,836	18,852,329
Other liabilities	26	3,653	8,583
TOTAL LIABILITIES		**426,818,840**	**329,346,274**
EQUITY	**27**	**797,974,827**	**615,423,055**
Total Equity Attributable to Equity Holders of the Parent		**790,374,005**	**609,955,311**
Share capital		254,100,000	254,100,000
Revaluation fund		1,524,724	13,347,695
Foreign currency differences		54,129,004	26,069,093
Restricted profit reserves		25,209,053	19,899,993
Retianed earnings		270,859,780	227,063,827
Net profit for the period		184,551,444	69,474,703
Minority Interest		**7,600,822**	**5,467,744**
TOTAL LIABILITIES AND EQUITY		**1,224,793,667**	**944,769,329**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Consolidated Statement of Income for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	1 January- 31 December 2011	1 January- 31 December 2010
Sales revenue	28	871,842,188	660,193,700
Cost of sales (-)	28	(621,415,741)	(506,715,317)
Gross Profit		**250,426,447**	**153,478,383**
Marketing, sales and distribution expenses (-)	29-30	(44,528,777)	(38,535,596)
General administrative expenses (-)	29-30	(40,665,678)	(38,173,524)
Research and development expenses (-)	29-30	(1,599,817)	(1,794,120)
Other operating income	31	9,896,955	12,662,607
Other operating expenses (-)	31	(3,132,277)	(2,690,335)
Operating Profit		**170,396,853**	**84,947,415**
investments accounted for under equity method	16	7,562,303	4,604,653
Finance income	32	99,285,730	43,879,852
Finance expenses (-)	33	(60,819,942)	(45,805,599)
Profit Before Taxation		**216,424,944**	**87,626,321**
Tax charge		(32,471,577)	(20,937,822)
Current tax charge	35	(44,063,387)	(22,480,762)
Deferred tax income	35	11,591,810	1,542,940
Net profit for the Period		**183,953,367**	**66,688,499**
Attributable to:			
Non-controlling interest		(598,077)	(2,786,204)
Equity holders of the parent		184,551,444	69,474,703
		183,953,367	**66,688,499**
Earnings Per Share	**36**	**0.726**	**0.273**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	1 January- 31 December 2011	1 January- 31 December 2010
Profit for the period		**183,953,367**	**66,688,499**
Other Comprehensive Income			
Value increase of Financial Assets	7	(12,445,233)	17,057,462
Change in Currency Translation Reserves		29,471,346	(8,703,085)
Tax charge relating to components of other Comprehensive Income	35	622,262	(856,549)
Other Comprehensive Income After Tax		**17,648,375**	**7,497,828**
Total Comprehensive Income		**201,601,742**	**74,186,327**
Attributable to:			
Non-controlling interest	27	765,428	(3,144,081)
Equity holders of the parent		200,836,314	77,330,408
		201,601,742	**74,186,327**
Earnings Per Share	**36**	**0.790**	**0.304**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Consolidated Statement of Change in Equity for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Share Capital	Fair Value Reserve	Currency Translation Reserve	Restricted Profit Reserves	Retained earnings	Net Profit for the Period	Total Equity Attributable to Equity Holders of the Parent	Non-controlling Interest	Total
Balance as of 1 January 2010	**231,000,000**	**(2,853,218)**	**34,414,301**	**15,477,558**	**208,772,012**	**46,086,928**	**532,897,581**	**8,099,499**	**540,997,080**
Capital increase (Note 27)	23,100,000	-	-	-	-	(23,100,000)	-	-	-
Transfers to legal reserves	-	-	-	4,418,034	18,568,894	(22,986,928)	-	-	-
Change in consolidation structure (Note 27)	-	-	-	4,401	(277,079)	-	(272,678)	9,827	(262,851)
Share capital increase in subsidiary (Note 27)	-	-	-	-	-	-	-	502,499	502,499
Total comprehensive income	-	16,200,913	(8,345,208)	-	-	69,474,703	77,330,408	(3,144,081)	74,186,327
Balance as of 31 December 2010	**254,100,000**	**13,347,695**	**26,069,093**	**19,899,993**	**227,063,827**	**69,474,703**	**609,955,311**	**5,467,744**	**615,423,055**
Balance as of 1 January 2011	**254,100,000**	**13,347,695**	**26,069,093**	**19,899,993**	**227,063,827**	**69,474,703**	**609,955,311**	**5,467,744**	**615,423,055**
Transfers to legal reserves	-	-	-	5,309,060	45,108,143	(50,417,203)	-	-	-
Transacitons with non-controlling interest (Note 27)	-	-	(47,930)	-	(1,312,190)	-	(1,360,120)	1,360,120	-
Share capital increase in subsidiary (Note 27)	-	-	-	-	-	-	-	7,530	7,530
Dividends paid	-	-	-	-	-	(19,057,500)	(19,057,500)	-	(19,057,500)
Total comprehensive income	-	(11,822,971)	28,107,841	-	-	184,551,444	200,836,314	765,428	201,601,742
Balance as of 31 December 2011	**254,100,000**	**1,524,724**	**54,129,004**	**25,209,053**	**270,859,780**	**184,551,444**	**790,374,005**	**7,600,822**	**797,974,827**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Consolidated Statement of Cash Flows for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	1 January-31 December 2011	1 January-31 December 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		183,953,367	66,688,499
Adjustments to reconcile net profit to net cash provided by operating activities		**92,424,595**	**70,255,643**
-Depreciation	18	53,277,484	46,064,149
-Amortisation	19	650,962	805,614
-Gain on sales of property, plant and equipment and intangibles	31	(1,580,480)	(582,586)
-Borrowing costs	32-33	23,738,543	9,418,844
-Provision for employment termination benefits	24	3,101,838	3,485,261
-Other provisions	10-11-22	1,584,363	(185,610)
-Interest income	32	(8,272,833)	(5,066,898)
-Gains on step acquisition		(4,954,564)	-
-Dividend income	32	(29,992)	(16,300)
-Gain from investments accounted for under equity method	16	(7,562,303)	(4,604,653)
-Tax charge	35	32,471,577	20,937,822
Operating cash flows provided before changes in working capital		**276,377,962**	**136,944,142**
-Trade receivables	10	(19,477,451)	3,604,229
-Inventories	13	(21,364,707)	5,132,788
-Due from related parties	37	(23,931,564)	(9,290,827)
-Other receivables and current assets	11-26	(15,814,378)	(886,254)
-Assets related to ongoing construction contracts	15	(11,897,890)	(492,944)
-Trade payables	10	22,351,090	6,994,742
-Due to related parties	37	7,585,147	(7,917,460)
-Other payables and expense accruals	11-22-24-26	16,019,378	3,135,060
Cash generated from operations		**229,847,587**	**137,223,476**
-Interest paid	33	(10,351,025)	(7,645,833)
-Taxes paid	26-35	(42,851,562)	(20,372,229)
-Employment termination benefits paid	24	(3,011,133)	(2,792,404)
Cash generated from operating activities		**173,633,867**	**106,413,010**
CASH FLOWS FROM INVESTING ACTIVITIES			
-Changes in financial investments	7	-	3,777,709
-Impact of transactions under common control		-	(262,851)
-Acquisition of subsidiary	3	958,783	-
-Dividend income from investments accounted for under equity method	16	14,209,886	4,159,412
-Purchases of property, plant and equipment	18	(119,057,331)	(62,479,336)
-Purchases of intangibles	19	(24,990)	(117,131)
-Proceeds from sales of property, plant and equipment and intangibles	18-19	2,104,914	702,914
-Dividends received	32	-	16,300
-Interest received	6-32	7,973,202	5,389,465
-Change in currency translation reserve		(22,618)	507,740
Net cash used in financing activities		**(93,858,154)**	**(48,305,778)**
-Proceeds from bank borrowings	8	28,116,305	133,343,509
-Repayment of bank borrowings	8	(58,578,842)	(189,905,470)
-Dividends paid		(19,057,500)	-
-Change in other receivables and other payables due from / due to related parties	11	27,136,095	8,197,542
-Minorities' participation in capital increase of a subsidiary	27	7,530	502,499
Net cash used in financing activities		**(22,376,412)**	**(47,861,920)**
Net change in cash and cash equivalents		**57,399,301**	**10,245,312**
Cash and cash equivalents at the beginning of the period	**6**	**139,275,321**	**129,030,009**
Cash and cash equivalents at the end of the period	**6**	**196,674,622**	**139,275,321**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

1. Organisation and Nature of Operations

Soda Sanayii Group (the "Group") comprises Soda Sanayii A.Ş. (the "Company") as the parent company and its subsidiaries, joint ventures and associates (5 subsidiaries, 1 investment in associates and 2 joint ventures).

The Group's operations comprise establishing and acquiring manufacturing facilities to manufacture light soda ash, dense soda ash, sodium bicarbonate, sodium bichromate, sodium sulphur, sodium sulfate, basic chromium sulfate (Tankrom AB, Tankrom SB, Tankrom OBM, Tankrom F24, Tankrom FS, Tankrom OB, Tankrom FO, Resintan M), chromic acid and derivatives of soda and other products derived from soda, and importing and exporting the production of these products and construction of industrial machinery.

The Company was founded in 19 October 1969 and is registered in Istanbul/ Turkey according to Turkish Commercial Code. The headquarters of the firm is located in Istanbul (İş Kuleleri Kule 3, 4. Levent 34330 Beşiktaş / Istanbul / Turkey).

Consolidated subsidiaries

The nature of the businesses, the respective business segments of the consolidated subsidiaries and the Group's share of direct ownership are as follows:

			Proportion of Ownership	
Company Name	**Nature of Business**	**Registered Country**	**31 December 2011**	**31 December 2010**
Subsidiaries				
Şişecam Soda Lukavac d.o.o.	Soda manufacturing	Bosnia Herzegovina	88,37	85,91
Asmaş Ağır San. Mak. A.Ş.	Construction of heavy machinery	Turkey	84,98	84,98
Şişecam Bulgaria Ltd.	Trading of soda products	Bulgaria	100,00	100,00
Dost Gaz Depolama A.Ş.	Natural gas storage	Turkey	84,94	-
Cromital S.p.A.	Chrome derivates	Italy	100,00	50,00
Joint Ventures				
Sintan Kimya San.ve Tic.A.Ş.	Chemical Products	Turkey	48,92	36,92
Oxyvit Kimya San. ve Tic. A.Ş.	Vitamin K-3 and its derivatives	Turkey	44,00	44,00
Associates				
Solvay Şişecam Holding AG	Investing	Austria	25,00	25,00

Since the direct and indirect ownership rates are the same, they were presented as single ownership rate on the above table.

Shareholders owning 10% of the capital and more are presented in Note 27. The Company has been quoted in the Istanbul Stock Exchange Market since 2000.

Numbers of employees by their categories that worked in current year

	31 December 2011	31 December 2010
Monthly employee	710	743
Hourly employee	1.059	1.111
Total	**1.769**	**1.854**

The Group's immediate and ultimate parent companies are T. Şişe ve Cam Fabrikaları A.Ş. and Türkiye İş Bankası A.Ş., respectively.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Approval of Consolidated Financial Statements:

The financial statements prepared as of and for the period ended have been approved and authorized for issue on 16 March 2012 by the Board of Directors. The General Assembly has the authority to amend financial statements.

2. Basis of Presentation of Consolidated Financial Statements

2.1 Basis of Presentation

Preparation of Financial Statements and Accounting Standards

The Capital Markets Board ("CMB") Communiqué Serial: XI, No: 29 "Communiqué on Financial Reporting Standards in Capital Markets" ("Communiqué Serial: XI, No: 29") provides principles and standards on the preparation and presentation of financial statements. The Communiqué is applicable commencing from the first interim financial statements prepared subsequent to 1 January 2008, and Communiqué Serial: XI, No: 25 "Communiqué on Capital Market Accounting Standards" ("Communiqué Serial: XI, No: 25") is annulled by this communiqué. As per this communiqué, the financial statements should be prepared in accordance with the International Financial Reporting Standards ("IAS/IFRS") as endorsed by the European Union ("EU"). However companies will apply IASs/IFRSs until the differences between the standards accepted by the European Union and the standards issued by International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"). In this respect, Turkish Accounting / Financial Reporting Standards issued by TASB that are not controversial to the adopted standards shall be taken as a basis in the application.

As the differences between the International Financial Reporting Standards ("IAS/IFRS") as endorsed by the European Union and the Turkish Accounting/Financial Reporting Standards ("TAS/TFRS") have not been declared as of the date of this report, the accompanying financial statements and notes are prepared in accordance with IAS/IFRS as declared in the Communiqué Serial: XI, No: 29 with the required formats announced by the CMB on 17 April 2008 and 9 January 2009.

The Company and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation. Subsidiaries operating in foreign countries maintain their books of account in the currencies of those countries and prepare their statutory financial statements in accordance with the prevailing legislation in those countries. These consolidated financial statements prepared in accordance with Financial Reporting Standards as endorsed by CMB, are prepared on the basis of historical cost convention and in Turkish lira, with the exception of financial assets and liabilities, which are measured at their respective fair values. Consolidated financial statements are prepared using the statutory records that are based on historical cost convention, and making adjustments and reclassifications to achieve fair presentation in accordance with financial reporting standarts endorsed by CMB.

Presentation and Functional Currency

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 Turkish Lira ("TL"), which is the functional and presentation currency of the Company.

Financial Statements of Joint Ventures Which Are Operating At Foreign Countries

Subsidiaries, joint ventures and associates operating in foreign countries, operates in accordance with the laws and regulations of that country. For being in accordance with CMB Financial Reporting Standarts, required reclassifications, and adjustments are made for accurate presentation of finacial statements. On the consolidated balance sheets of foreign subsidiaries' assets and liabilities related to foreign exchange, income and expenses are translated into TL using the average exchange rate. Foreign currency differences resulting from the use of closing and average exchange rates are followed under foreign currency differences in equity.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

The foreign exchange rates used for translation of the foreign operations included in the consolidation are as follows:

	31 December 2011		31 December 2010	
Currency	**Period Ends**	**Period Averages**	**Period Ends**	**Period Averages**
USD	1,88890	1,67075	1,54600	1,49904
EUR	2,44380	2,32437	2,04910	1,98857
KM	1,24950	1,18843	1,04769	1,01674
BGN	1,24950	1,18843	1,04769	1,01674

Going Concern

Consolidated financial statements have been prepared in accordance with the principle of going concern assuming that the Company and the consolidated associates, affiliates and joint ventures will obtain benefits from their assets and meet their liabilities in the following year and in the ordinary flow of activities.

Comparatives and restatement of prior periods

In order to give accurate trend analysis about the financial position and performance, the consolidated financial statements of the Group together with the consolidated statements of income, comprehensive income, cash flows and equity are prepared comparatively. Where necessary, comparative figures have been reclassified to conform to the presentation of the current year consolidated financial statements.

Consolidation

Subsidiaries

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are companies over which the Company has capability to control the financial and operating policies for the benefit of Soda Sanayi, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies.

The consolidated financial statements for the years ended 31 December 2011 and 2010 incorporate the financial statements of the Company and entities controlled or jointly controlled by the Company (its subsidiaries) as explained in Note 1.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The balance sheets and statements of income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company and its subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between the Company and its subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by the Company in its subsidiaries are eliminated from shareholders' equity and income for the period, respectively.

Minority interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (Note 2.5) and the minority's share of changes in equity since the date of the combination.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The details of the Group's associates as of 31 December 2011 are presented in Note 1.

Results and assets and liabilities of associates are incorporated in the accompanying consolidated financial statements using the equity method of accounting. Under the equity method, associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognized.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Interests in Joint Ventures

Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Soda Sanayii A.Ş and its subsidiaries and one or more other parties. The Group's interest in joint ventures is accounted for using the equity method. Equity accounting is discontinued when the joint control over the joint venture is ceased.

The details of the Group's joint ventures as of 31 December 2011 are presented in Note 1.

2.2 Changes in the Accounting Policies

Changes made in the accounting policies are applied retrospectively and the previous period's financial statements are restated accordingly. There has not been any significant change in accounting policies for the period 1 January - 31 December 2011.

2.3 Changes in the Accounting Estimates and Errors

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. There has not been any significant change in accounting estimates of the Group for the period 1 January - 31 December 2011.

Significant accounting errors that are detected in the current period are applied retrospectively and prior year financial statements are restated accordingly.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

2.4 Amendments in International Financial Reporting Standards

Group, applies the new and revised IAS/IFRS amendments and interpretations that have an effect on the financial statements, which are published by the Accounting Standarts Boards (IASB) and the IASB's International Reporting Interpretations Committee (IFRIC)

a) Standards, amendments and interpretations effective from 1 January 2011:

IAS 24 (Revised), "Related party disclosures"

IFRS 1 (Amendment), "First-time adoption"

IAS 32 (Amendment), "Financial Instruments: Presentation"

IFRIC 14, "Prepayments of a minimum funding requirement"

IFRIC 19, "Extinguishing financial liabilities with equity instruments"

Annual improvements 2010 are effective for annual periods beginning 1 January 2011. This set of amendments includes changes to six standards and one IFRIC, namely;

IFRS 1 "First-time adoption"

IFRS 3 "Business combinations"

IFRS 7 "Financial Instruments: Disclosures"

IAS 1 "Financial statements presentation"

IAS 27 "Consolidated and seperate financial statements"

IAS 34 "Interim financial reporting"

IFRIC 13 "Customer loyalty programmes"

b) Standards, amendments and interpretations to existing standards that is not effective yet:

IFRS 7 (Amendment), "Financial instruments: Disclosures"

IFRS 1 (Amendment), "First time adoption"

IAS 12 (Amendment), "Income taxes"

IAS 19 (Amendment), "Employee benefits"

IAS 1 (Amendment), "Financial statement presentation"

IFRS 9, "Financial Instruments"

IFRS 10, "Consolidated financial statements"

IFRS 11, "Joint arrangements"

IFRS 12, "Disclosures of interests in other entities"

IFRS 13, "Fair value measurement"

IAS 27, "Separate financial statements"

IAS 28, "Associates and joint ventures"

IFRIC 20, "Stripping costs in the production phase of a surface mine"

Group will evaluate the effect of the aforementioned changes within its operations and apply changes starting from effective date. The applications of the standards and amendments above are not considered to have a significant impact on the consolidated financial statements of the Group.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

2.5 Summary of Significant Accounting Policies

Significant accounting policies that are used in preparation of these consolidated financial statements are disclosed below. These accounting policies have been applied consistently with the prior year unless specified otherwise.

Revenue

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances

Sale of goods

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

- The Group transfers all the significant risks and rewards of ownership of the goods to the buyer;
- The Group has no continuing managerial involvement associated with the ownership or significant 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 Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Industrial machinery manufacturing revenue:

Industrial machinaries manufacturing revenue is accounted for by using percentage of completion method in accordance with the accounting policy explained in "Construction Contracts" section.

Dividend and interest revenue

Interest revenue 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.

Dividend revenue from investments is recognized when the shareholders' rights to receive payment have been established.

Rental income

Rental income from investment properties is recognized on a straight-line basis over the term of the relevant lease.

Inventory

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are cost of purchase, cost of conversion and other costs incurred bringing the inventories their present location and condition. The cost of inventories is determined on the weighted average basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property, plant and equipment

Property, plant and equipment acquired before 1 January 2005 are carried at restated historical cost adjusted for the effects of inflation until 31 December 2004, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Tangible assets acquired in subsequent periods are carried at acquisition cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes professional fees. For assets that need considerable time to be ready for sale or use, borrowing costs are capitalized in accordance with the Group's accounting policy. As it is for the other fixed assets, such assets are depreciated when the assets are ready for their intended use.

Normal maintenance and repair costs are accounted as expense. Investment costs which enhance capacity of property plant and equipment and increase future economic benefit are added to cost of related property plant and equipment and depreciated with remaining useful life of assets.

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

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Useful life
Land improvements	8-50 years
Buildings	10-50 years
Machinery and equipment	5-15 years
Vehicles	4-7 years
Furniture and fixt ures	3-15 years
Leasehold improvements	4-10 years

Gain or loss arising on the disposal or retirement of a tangible fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Intangibles

Intangibles separately acquired
Intangibles acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.
These costs are amortized over their estimated economic lifes (3 - 5 year) (Note 19)

Software
Acquired 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 lifes (3 - 5 years).

Impairment of Assets
At each balance sheet date, Group assesses whether there is any indication that an asset other than goodwill may be impaired. When an indication of impairment exists, the Group estimates the recoverable values of such assets. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognised immediately in profit or loss.

An impairment loss recognised in prior period for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognised. Such a reversal amount cannot be higher than the previously recognised impairment loss and shall not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognized as income in the consolidated financial statements.

Borrowing Costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the income statement over the period of the borrowings. Borrowing costs are charged to the income statement when they are incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale.

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

Related Parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and Board members, in each case together with the companies controlled by/or affiliated with them, associated companies and other companies within the Group are considered and referred to as "related parties".

Offsetting

Each material class of similar items according to their nature or function is presented separately in the financial statements. If a line item is not individually material, it is aggregated with other similar items according to their nature or function. If the essence of the transaction and events requires offsetting, presentation of these transactions and events at their net values or following up of the assets at their amounts after the deduction of impairment, is not evaluated as a breach of the non-deductibility rule.

Financial Instruments

Financial Assets

Financial investments, except financial assets classified at fair value through profit or loss and financial assets initially recognized at fair value, are recognized at fair value net of directly attributable transaction costs. Investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: financial assets classified 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.

Effective interest method

The effective interest method is calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate discounts the estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income from financial assets that are classified as held to maturity, available for sale and loans and receivables is recognized on an effective interest basis.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Available-for-sale financial assets

Investments other than held-to-maturity financial assets, held for fair value through profit or loss and loans and receivables are classified as available-for-sale, and are measured at subsequent reporting dates at fair value except for available-for-sale investments that do not have quoted prices in active an market and whose fair values can not be reliably measured are carried at cost. Gains and losses on available for sale financial assets at amortized cost are recognized in the income statement. Gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

In case of the right to receive dividend of the Group, dividends related to available-for-sale equity instruments are recognized in profit or loss.

Fair value of available for sale monetary assets denominated in foreign currency is determined in that foreign currency and converted using the spot rate at the reporting date. Change in fair value attributable to conversion differences that result from a change in amortized cost of the asset is recognized in profit or loss, and other changes are recognized in equity.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is a objective evidence that; as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been effected. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted from the original effective interest rate.

Carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, in a subsequent period, if the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Trade Receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

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 carrying amount of these assets approximates their fair value.

Financial liabilities

Financial liabilities are measured initially with their fair values. Transaction costs which are directly related to the financial liability are added to fair value.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

The effective interest method is calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Business Combinations and Goodwill

A business combination is bringing together of seperate entities or business into one reporting entity. Business combinations are accounted for using the purchase method in the scope of IFRS 3 (Note 3)

The purchase cost incurred as to the acquisition of a business is distributed to the identifiable assets, liabilities and contingent liabilities of the acquired business at the date of purchase. The difference between the purchase cost and the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business is acquired as goodwill in the financial statements. The assets, intangible fixed assets and contingent liabilities, which are not contained in the financial statement of the acquired company at business combinations, but have the capacity of being separated within the goodwill, are reflected in the consolidated financial assets with their fair values. The goodwill in the financial statements of the acquire are not considered as identifiable asset. Costs directly attributable to the acquisition are recognized as an expense in the relevant period.

In the case that the share of acquirer in the fair value of the acquired identifiable assets, liabilities and contingent liabilities exceeds the cost of business combination, the difference is associated with the consolidated income statement. The non-controlling shares obtained for each acquisition are accounted over the proportional share of the acquired company's net assets.

Goodwill is tested for impairment annually, and impairment losses, if any, are included in the profit and loss account.

Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. Regarding the purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also accounted for in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also accounted for in equity.

Foreign currency transactions

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 balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet 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.

Earnings Per Share

Earnings per share disclosed in the accompanying consolidated statement of income is calculated as net income divided by the weighted average number of shares circulating during the year.

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 assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Events After Balance Sheet Date

Events after balance sheet date comprise any event between the balance sheet date and the date of authorization of the financial statements for issue.

The Group adjusts the amounts recognized in the consolidated financial statements to reflect the adjusting events after the balance sheet date. Should there be non-adjusting events after the balance sheet date that may have a material impact on the economic decisions of users of the financial statements, such events are disclosed in the notes to the consolidated financial statements.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that 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 balance sheet date considering the risks and uncertainties surrounding the obligation.

Where 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.

Construction Contracts

Contract costs are recognized when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

The group uses the 'percentage-of-completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).

Government Incentives and Grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the required conditions.

Taxation and Deferred Income Taxes

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 are calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Current tax

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement 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 balance sheet date.

Deferred tax

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is 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.

Carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 balance sheet 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.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Employee Benefits / Retirement Pay Provision

Under the Turkish law and union agreements, severance payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No: 19 (Revised) "Employee Benefits" ("IAS 19").

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

Foreign subsidiaries of the Group were subjected to relevant laws in their own country for employee termination benefits. Required provision for employee termination benefits, due to mentioned laws, presented in the financial statements of the subsidiaries of the Group.

Statement of Cash Flows

Cash flows are classified according to operating, investment and finance activities in the statement of cash flows.

Cash flows from operating activities reflect cash flows generated from sales of soda, soda derivates and chrome derivates and construction of heavy machines.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Company.

Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company.

Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are reclassified as dividend payables by netting off from the retained earnings in the period in which they are approved and disclosed.

2.6 Significant Accounting Estimates

The Group uses assumptions and makes estimations related to future events. Results of the accounting estimates are similarly the same with the ones that are rarely realized. Key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the subsequent financial period are discussed below:

The Group recognises deferred tax assets and liabilities for temporary differences between the statutory financial statements and those prepared according to CMB Financial Reporting Standards. Group companies have deferred tax assets for unused portion of carry forward tax losses and other deductible temporary differences that can be deducted from future profits. Wholly or partially recoverable amounts of deferred tax assets have been estimated under current conditions. In making the estimation, future profit projections, losses incurred in the current period, the last date on which unused losses and other tax assets can be used, and tax planning strategies that can be used when needed, have been taken into consideration. Consequently, it was estimated that the Group will be generating sufficient taxable profits in the foreseeable future to recover deferred tax assets of TL 5,554,210 (31 December 2010: TL 5,546,591) arising from deductible temporary differences (Note 35).

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

3. Business Combinations

The Group acquired 50% shares of the Cromital S.p.A. for a consideration of TL 5,931,499 (2,422,800 Euro) on 20 December 2011. The Group has recognized the provisional fair values of identifiable assets, liabilities and contingent liabilities acquired as part of this transaction. Difference between total consideration and net assets acquired is temporarily recognized as goodwill in the consolidated financial statements.

ASSETS	Fair Values
Current Assets	**26,899,078**
Cash and cash equivalents	6,890,282
Trade receivables	15,590,704
Other receivables	38,455
Inventories	3,525,927
Other current assets	853,710
Non-Current Assets	**5,622,334**
Other receivables	5,141
Property, plant and equipment	4,913,457
Intangible assets	195,862
Deferred tax assets	409,946
Other non-current assets	97,928
Total Assets	**32,521,412**
LIABILITIES	
Current Liabilities	**24,265,789**
Financial liabilities	12,981,420
Trade payables	2,531,787
Other payables	263,429
Liabilities due to related parties	7,704,477
Liability provisions	35,132
Other liabilities	749,544
Non-Current Liabilities	**2,702,878**
Financial liabilities	2,029,964
Other Liabilities	64,992
Provisions for employee benefits	607,922
TOTAL LIABILITIES	**26,968,667**
Net assets acquired	**5,552,745**
Cash paid	5,931,499
Cash paid to acquire the initial 50% of shares	3,039,460
Fair value adjustment arising from revaluation of existing interest in a stepacquisition	1,489,710
Total consideration	**10,460,669**
Goodwill	4,907,924
Foreign currency differences	(8,821)
Goodwill as 31.12.2011	**4,899,103**
Paid Cash	5,931,499
Received cash and cash equivalents	(6,890,282)
Net cash out flow	**(958,783)**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

4. Joint Ventures

Joint ventures are accounted for using the equity method in Group's consolidated financial statements (Note 16).

5. Segment Reporting

The Group has adopted IFRS 8 starting 1 January 2009 and have identified relevant operating segments based on internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker of the Group which is board of directors.

The chief operating decision maker reviews results and operations on a product line segment basis as well as on a geographic segment basis in order to monitor performance and to allocate resources. Product line segments of the Group are defined in the following categories: chrome derivatives, soda derivatives and other products. Geographic segments of the Group are defined in the following regions: Turkey and Europe. Some of the income and expense are not included in segment reporting as they are managed centrally.

The segment analysis based on Group's internal reporting is as follows:

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

1 January-31 December 2011	Chrome derivates	Soda and other derivates	Total	Consolidation eliminations	Consolidated
Revenue	304,917,976	583,611,085	888,529,061	(16,686,873)	871,842,188
Cost of sales (-)	(172,458,449)	(464,036,672)	(636,495,121)	15,079,380	(621,415,741)
Gross profit	132,459,527	119,574,413	252,033,940	(1,607,493)	250,426,447
Purchases of property, plant and equipment and intangibles	33,518,957	86,412,178	119,931,135	(848,814)	119,082,321
Depreciation and amortisation	(10,191,452)	(45,830,042)	(56,021,494)	2,093,048	(53,928,446)

1 January-31 December 2010	Chrome derivates	Soda and other derivates	Total	Consolidation eliminations	Consolidated
Revenue	229,903,599	448,128,206	678,031,805	(17,838,105)	660,193,700
Cost of sales (-)	(137,117,254)	(385,200,121)	(522,317,375)	15,602,058	(506,715,317)
Gross profit	92,786,345	62,928,085	155,714,430	(2,236,047)	153,478,383
Purchases of property, plant and equipment and intangibles	3,206,728	63,470,926	66,677,654	(4,081,187)	62,596,467
Depreciation and amortisation	(9,968,127)	(38,555,116)	(48,523,243)	1,653,480	(46,869,763)

1 January-31 December 2011	Turkey	Europe	Total	Consolidation eliminations	Consolidated
Revenue (*)	749,163,225	139,365,836	888,529,061	(16,686,873)	871,842,188
Purchases of property, plant and equipment and intangibles	96,131,586	23,799,549	119,931,135	(848,814)	119,082,321
Depreciation and amortisation	(40,800,437)	(15,221,057)	(56,021,494)	2,093,048	(53,928,446)
Total Assets (31 December 2011)	1,081,387,649	259,934,000	1,341,321,649	(116,527,982)	1,224,793,667

1 January-31 December 2010	Turkey	Europe	Total	Consolidation eliminations	Consolidated
Revenue (*)	577,133,360	100,898,445	678,031,805	(17,838,105)	660,193,700
Purchases of property, plant and equipment and intangibles	43,709,221	22,968,433	66,677,654	(4,081,187)	62,596,467
Depreciation and amortisation	(37,875,481)	(10,647,762)	(48,523,243)	1,653,480	(46,869,763)
Total Assets (31 December 2010)	850,563,746	167,932,522	1,018,496,268	(73,726,939)	944,769,329

(*) Allocation of revenue to geographic regions is made according to point of shipment rather than point of destination.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

6. Cash and Cash Equivalents

	31 December 2011	31 December 2010
Cash on hand	20,906	29,400
Cash in banks	197,112,879	139,416,825
- Demand deposits	21,843,984	7,954,941
- Time deposits (with maturities of three months or less)	175,268,895	131,461,884
- Other liquid assets	11,372	-
	197,145,157	**139,446,225**

The nature and level of risks associated with cash and cash equivalents are explained in Note 38.

Time deposits

Currency	Interest rate (%)	Maturity	31 December 2011
EUR	0,50-2,05	January 2012	8,942,546
USD	0,50-4,70	January 2012	164,951,899
BGN	1,85	January 2012	1,374,450
			175,268,895

Currency	Interest rate (%)	Maturity	31 December 2010
EUR	0,50-2,00	January 2011	5,333,773
USD	1,50-3,40	January 2011	124,858,311
BGN	2,00	January 2011	1,269,800
			131,461,884

Cash and cash equivalents in the consolidated cash flows as of 31 December 2011 and 2010 are as follows.

	31 December 2011	31 December 2010
Cash and cash equivalents	197,145,157	139,446,225
Less: Interest accruals	(470,535)	(170,904)
	196,674,622	**139,275,321**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

7. Financial Investments

	31 December 2011	31 December 2010
Available for sale financial assets	29,130,519	41,545,760
	29,130,519	**41,545,760**

a) Non-current financial investments

Available for sale financial assets	**Share %**	**31 December 2011**	**Share %**	**31 December 2010**
Listed financial investments:				
Denizli Cam San. Tic. A.Ş. (*)	16,22	7,940,039	16,22	20,385,272
		7,940,039		**20,385,272**
Unlisted financial investments:				
Paşabahçe Cam San. ve Tic. A.Ş.	4,74	20,948,535	4,74	20,948,535
Şişecam Shangai Trade Co. Ltd. (**)	100,00	655,448	100,00	655,448
Camiş Elektrik Üretim A.Ş.	0,08	42,914	0,08	42,914
Nemtaş Nemrut Liman İşletmeleri A.Ş.	0,02	188,233	0,02	158,241
Other	-	10,798	-	10,798
Provision for impairment(-)		(655,448)		(655,448)
		21,190,480		21,160,488
		29,130,519		**41,545,760**

Current year movement of available for sale financial invesmets is as follows:

	2011	2010
Opening balance, 1 January	41,545,760	24,488,473
Change in fair value	(12,445,233)	17,057,462
Bonus issue	29,992	-
Disposals	-	(175)
Closing balance, 31 December	**29,130,519**	**41,545,760**

(*) Shares of this company are listed on the Istanbul Stock Exchange ("ISE") and the Group has valued such equity shares under the securities available for sale investments with market prices of the ISE. As a result of this valuation, the Group has accounted TL 12,445,233 of valuation decrease by offsetting against TL 622,262 of deferred tax due to this valuation decrease in "Revaluation Fund" under equity (31 December 2010: TL 17,057,462 valuation increase and TL 856,549 deferred tax).

(**) Şişecam Shangai Trade Co Ltd is founded for the purpose of undertaking activities of marketing and sales to especially China, South Korea and Vietnam.

The nature and level of risks. associated with financial investments are explained in Note 38.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

8. Financial Liabilities

Current financial liabilities	31 December 2011	31 December 2010
Short-term bank borrowings	23,072,834	24,444,739
Short term portion of long-term bank borrowings	39,510,913	34,627,164
	62,583,747	59,071,903

Non-current financial liabilities	31 December 2011	31 December 2010
Long-term bank borrowings	134,051,113	121,821,736
Total financial liabilities	**196,634,860**	**180,893,639**

Short-term and long-term bank loans are summarized below:

			31 December 2011	
Currency	Maturity	Weighted Average Interest rate (%)	Current Liabilities	Non-current Liabilities
USD	2012-2013	2,67	22,397,493	24,105,962
EUR	2012-2018	4,60	40,186,254	109,945,151
			62,583,747	**134,051,113**

			31 December 2010	
Currency	Maturity	Weighted Average Interest rate (%)	Current Liabilities	Non-current Liabilities
USD	2011-2013	2,51	23,671,731	37,803,382
EUR	2011-2018	3,79	30,397,636	84,018,354
TRY	2011	7,48	5,002,536	-
			59,071,903	**121,821,736**

Repayment schedules of borrowings are summarised below:

	31 December 2011	31 December 2010
Within 1 year	62,583,747	59,071,903
Within 1-2 years	56,800,624	30,898,741
Within 2-3 years	25,780,749	37,882,830
Within 3-4 years	23,540,597	12,688,658
Within 4-5 years	13,673,643	19,860,508
5 years and more	14,255,500	20,490,999
	196,634,860	**180,893,639**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

9. Other Financial Liabilities

None.

10. Trade Receivables and Payables

Trade Receivables	31 December 2011	31 December 2010
Trade receivables	62,025,827	26,706,490
Notes receivable	3,770,712	2,667,393
Due from related parties (Note 37)	106,416,189	82,484,625
Allowances for trade receivables (-)	(2,706,134)	(1,110,221)
	169,506,594	**110,748,287**

Intra-group sales of soda products are made on a cash basis. For other sales, average term is 37 days (31 December 2010: 34 days). For overdue payments; interest rate of 1.5% is charged to customers on a monthly basis (31 December 2010: 3%). Average sale term for domestic sales of chrome products is 28 days on a foreign currency basis (31 December 2010: 29 days). Interest of 1% is charged for overdue payments on a monthly basis (31 December 2010: 1%). For export sales, the average term is 60 days regardless of the product line (31 December 2010: 60 days). Trade receivable related to industrial machinery sales are collected in accordance with the progress payment schedule.

The Group has recognized provision for its doubtful receivables. Allowance for doubtful receivables is determined by referring to past default experience. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted to the reporting date. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Accordingly, the management believes that no further credit provision is required in excess of the allowance for doubtful debts.

The movement in the allowance for doubtful receivable is as follows:

	2011	2010
Opening balance, 1 January	**(1,110,221)**	**(1,150,793)**
Foreign currency differences	(8,379)	3,058
Increase due to acquisition	(1,377,389)	-
Charge for the period	(210,145)	-
Collections	-	37,514
Closing balance, 31 December	**(2,706,134)**	**(1,110,221)**

The nature and level of risks associated with trade receivables are explained in Note 38.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Trade Payables	31 December 2011	31 December 2010
Trade payables	54,248,644	31,446,662
Due to related parties (Note 37)	33,963,614	16,612,355
Other trade payables	851	658
	88,213,109	**48,059,675**

Chromit and Anthracite purchases are on cash basis (31 December 2011: Cash basis). Average credit period for other trade payables is 30-45 days (31 December 2010: 30-45 days). Corporate risk management policies are in place to ensure that all of the payables are paid within payment terms.

11. Other current receivables

Other current receivables	31 December 2011	31 December 2010
Other receivables from related parties (Note 37)	21,799,263	15,079,483
Assets related to ongoing construction contracts (Note 15)	13,683,782	1,785,892
Due from personnel	43,445	74,101
Deposits and guarantees given	90,064	873
Other current receivables	964,245	673,107
Allowance for other receivables (-)	(230,193)	(193,014)
	36,350,606	**17,420,442**

The movement in the allowance for doubtful receivable is as follows:

	2011	2010
Opening balance, 1 January	(193,014)	-
Allowance for the period	(37,179)	(193,014)
Closing balance, 31 December	**(230,193)**	**(193,014)**

Other non-current receivables	31 December 2011	31 December 2010
Deposits and guarantees given	106,668	61,564
	106,668	**61,564**

Other current payables	31 December 2011	31 December 2010
Due to related parties (Note 37)	63,952,136	30,096,261
Order advances received (other)	8,727,360	2,604,963
Deposits and guarantees received	1,434,848	1,301,797
Other current payables	927,128	975,527
	75,041,472	**34,978,548**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Other non-current payables	31 December 2011	31 December 2010
Deposits and guarantees received	268,600	53,432
Other non-current payables	114,009	41,198
	382,609	**94,630**

The nature and level of risks associated with other receivables and other payables are explained in Note 38.

12. Receivables and Payables from Financial Sector Operations

None.

13. Inventories

	31 December 2011	31 December 2010
Raw materials	49,036,998	40,817,781
Work in process	3,054,908	1,857,838
Finished goods	35,441,553	23,703,442
Trade goods	3,809,968	835,114
Other inventories	716,256	264,466
Allowance for diminution in value of inventories (-)	0	(267,343)
	92,059,683	**67,211,298**

The movements of allowance for diminution in value of inventories are as follows:

The movements of allowance for diminution in value of inventories	2011	2010
Opening balance, 1 January	(267,343)	(2,369,629)
Foreign exchange differences	(35,913)	121,963
Current year disposals	303,256	1,980,323
Closing balance, 31 December	**0**	**(267,343)**

14. Biological Assets

None.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

15. Assets Related to Ongoing Construction Contracts

	31 December 2011	31 December 2010
Contract costs incurred for work performed	66,224,069	60,054,303
Revenue recognized less costs recognized (net)	-	(1,528)
	66,224,069	60,052,775
Less: Progress payments received (-)	(52,540,287)	(58,276,213)
	13,683,782	**1,776,562**

Progress payments and costs realized in consolidated financial statements are as follows:	31 December 2011	31 December 2010
Receivables from ongoing construction contracts (Note 11)	13,683,782	1,785,892
Allowance for projects in loss (Note 26)	0	(1,528)
Progress payments of ongoing construction contracts (Note 26)	-	(7,802)
	13,683,782	**1,776,562**

As of 31 December 2011, the guarantee letters given to progress payments amount to TL 10,473,183. (31 December 2010: TL 6,459,151) and the advances received amount to TL 4,880,206 (31 December 2010: TL 1,161,922).

16. Investments Accounted for under the Equity Method

Share ratios of investments in associates and joint ventures accounted for under the equity method are asfollows;

	Share % (%)	31 December 2011	Share (%)	31 December 2010
Investment in Associate				
Solvay Şişecam Holding AG	25,00	134,772,110	25,00	120,283,057
Joint ventures				
Sintan Kimya San. ve Tic. A.Ş.	48,92	-	36,92	52,346
Oxyvit Kimya San. Ve Tic. A.Ş.	44,00	3,634,158	44,00	2,872,102
		138,406,268		**123,207,505**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

The summarised financial data of investment in associates and joint ventures accounted for under the equity method is as follows:

Solvay Şişecam Holding AG	**31 December 2011**	**31 December 2010**
Total assets	725,541,133	740,451,189
Total liabilities	(186,452,695)	(259,318,961)
Net assets	539,088,438	481,132,228
The Group's share in net assets	**134,772,110**	**120,283,057**

	1 January-31 December 2011	**1 January-31 December 2010**
Net profit for the year	27,410,372	25,759,757
The Group's share in profit for the year	**6,852,593**	**6,439,939**

Solvay Şişecam Holding AG is established in Austria Vienna for the purpose of directly or indirectly owning and controlling Solvay Sodi AD established in Bulgaria - Devnya region in accordance with the Republic of Bulgaria legislations.

The summarized financial data of joint ventures accounted for by the equity method is as follows:

Joint ventures	**31 December 2011**	**31 December 2010**
Total assets	37,412,370	78.395.530
Total liabilities	(32.152.392)	(73.745.835)
Net assets	5.259.978	4.649.695
The Group's share in net assets	**3.634.158**	**2.924.448**
Accrued liability (Note 26)	**1.229.778**	**1.811.333**

	1 January-31 December 2011	**1 January-31 December 2010**
Net income for the year	1.679.599	(3.827.966)
The Group's share in loss for the year	**709.710**	**(1.835.286)**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

The amounts recorded as income for the investments in associates and joint ventures accounted by equity method are as follows:

	2011	2010
Opening balance, 1 January	123,207,505	128,582,560
Income from associates and joint ventures (*)	7,562,303	5,152,210
Dividend income (**)	(14,209,886)	(4,159,412)
Foreign currency differences	21,846,346	(6,367,853)
Closing balance, 31 December	**138,406,268**	**123,207,505**
Income from associates and joint ventures (*)	7,562,303	5,152,210
Loses recognised in excess of Group's investment in joint-ventures(Note 26)	-	(547,557)
Total	**7,562,303**	**4,604,653**
Dividend income from associates and joint ventures (**)	(14,209,886)	(4,159,412)
Total	**(14,209,886)**	**(4,159,412)**

17. Investment Property

None.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

18. Property, plant and equipment

	Land	Land improvements	Buildings	Machinery and Equipments	Vehicles	Furniture and fixture	Leasehold improve-ments	Construction in progress	Total
Cost									
Opening balance, 1 January 201	29,483,786	102,104,649	84,938,144	880,831,403	5,462,282	22,670,320	4,365,813	9,638,833	1,139,495,230
Increase due to acquisition	1,344,357	-	3,334,033	7,722,551	383,880	100,853	276,076	-	13,161,750
Foreign Exchange differences	2,587,169	606,819	5,501,751	21,596,153	399,900	70,790	(496)	1,323,647	32,085,733
Additions	114,828	-	-	666,259	148,568	417,894	24,379	117,685,403	119,057,331
Disposals	(241,614)	-	-	(852,791)	(761,269)	(163,421)	-	-	(2,019,095)
Transfers from construction in progress	6,354,298	11,756,542	6,838,594	61,496,770	189,656	953,766	-	(87,589,626)	-
Closing balance, 31 December 2011	**39,642,824**	**114,468,010**	**100,612,522**	**971,460,345**	**5,823,017**	**24,050,202**	**4,665,772**	**41,058,257**	**1,301,780,949**
Accumulated depreciation									
Opening balance, 1 January 2011	-	(42,889,821)	(30,377,849)	(619,459,777)	(3,443,922)	(18,406,742)	(3,713,143)	-	(718,291,254)
Increase due to acquisition	-	-	(1,507,361)	(6,127,314)	(302,062)	(78,982)	(232,574)	-	(8,248,293)
Foreign Exchange differences	-	(108,231)	(595,326)	(5,641,818)	(138,292)	(37,421)	418	-	(6,520,670)
Charge for the period	-	(3,408,605)	(2,630,132)	(45,065,032)	(484,606)	(1,415,214)	(273,895)	-	(53,277,484)
Disposals	-	-	-	808,780	761,269	156,880	-	-	1,726,929
Closing balance, 31 December 2011	**-**	**(46,406,657)**	**(35,110,668)**	**(675,485,161)**	**(3,607,613)**	**(19,781,479)**	**(4,219,194)**	**-**	**(784,610,772)**
Net book value as of 31 December 2011	**39,642,824**	**68,061,353**	**65,501,854**	**295,975,184**	**2,215,404**	**4,268,723**	**446,578**	**41,058,257**	**517,170,177**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Land	Land improvements	Buildings	Machinery and Equip-ments	Vehicles	Furniture and fixture	Leasehold improve-ments	Construction in progress	Total
Cost									
Opening balance, 1 January 2010	29,496,056	96,643,193	82,908,723	815,530,033	4,567,655	22,054,894	3,938,870	30,061,766	1,085,201,190
Foreign Exchange differences	(729,488)	(170,941)	(1,292,815)	(3,915,172)	(61,645)	(14,772)	-	(1,270,658)	(7,455,491)
Additions	-	868,760	-	2,388,381	36,361	571,553	426,943	58,187,338	62,479,336
Disposals	(61,675)	-	-	(93,387)	(339,019)	(235,724)	-	-	(729,805)
Transfers from construction in progress	778,893	4,763,637	3,322,236	66,921,548	1,258,930	294,369	-	(77,339,613)	-
Closing balance, 31 December 2011	**29,483,786**	**102,104,649**	**84,938,144**	**880,831,403**	**5,462,282**	**22,670,320**	**4,365,813**	**9,638,833**	**1,139,495,230**
Accumulated depreciation									
Opening balance, 1 January 2011	-	(39,781,389)	(28,265,395)	(581,465,737)	(3,420,836)	(17,501,512)	(3,492,977)	-	(673,927,846)
Increase due to acquisition	-	(160,000)	160,000	(428,276)	(460)	428,736	-	-	-
Foreign Exchange differences	-	22,259	90,212	947,143	24,580	7,070	-	-	1,091,264
Charge for the period	-	(2,970,691)	(2,362,666)	(38,580,201)	(386,133)	(1,544,292)	(220,166)	-	(46,064,149)
Disposals	-	-	-	61,195	339,019	209,263	-	-	609,477
Closing balance, 31 December 2011	**-**	**(42,889,821)**	**(30,377,849)**	**(619,465,876)**	**(3,443,830)**	**(18,400,735)**	**(3,713,143)**	**-**	**(718,291,254)**
Net book value as of 31 December 2011	**29,483,786**	**59,214,828**	**54,560,295**	**261,365,527**	**2,018,452**	**4,269,585**	**652,670**	**9,638,833**	**421,203,976**

Depreciation expense of TL 50,864,004 (31 December 2010: TL 43,674,356) has been charged in cost of goods sold, TL 1,259,959 (31 December 2010: TL 1,168,485) in selling and marketing costs, TL 1,651,974 (31 December 2010: TL 1,870,648) in general administrative expenses and TL 152,509 (31 December 2010: TL 156,274) in research and development expenses.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

19. Intangible Assets

Cost	Rights	Other intangible assets	Total
Opening balance, 1 January 2011	8,732,638	881,246	9,613,884
Increase due to acquisition	-	703,804	703,804
Foreign exchange differences	-	153,565	153,565
Additions	9,608	15,382	24,990
Disposals	(519,721)	(432,097)	(951,818)
Closing balance, 31 December 2011	**8,222,525**	**1,321,900**	**9,544,425**
Accumulated amortization			
Opening balance, 1 January 2011	(6,644,010)	(429,576)	(7,073,586)
Increase due to acquisition	-	(507,942)	(507,942)
Foreign exchange differences	-	(112,577)	(112,577)
Charge for the period	(537,160)	(113,802)	(650,962)
Disposals	427,039	136,350	563,389
Closing balance, 31 Aralık 2011	**(6,754,131)**	**(1,027,547)**	**(7,781,678)**
Net book value as of 31 December 2011	**1,468,394**	**294,353**	**1,762,747**

Cost	Rights	Other intangible assets	Total
Opening balance, 1 January 2010	8,637,809	905,470	9,543,279
Foreign exchange differences	-	(46,526)	(46,526)
Additions	94,829	22,302	117,131
Closing balance, 31 December 2010	**8,732,638**	**881,246**	**9,613,884**
Accumulated amortization			
Opening balance, 1 January 2010	(5,936,935)	(348,917)	(6,285,852)
Foreign exchange differences	-	17,880	17,880
Charge for the period	(707,075)	(98,539)	(805,614)
Closing balance, 31 December 2010	**(6,644,010)**	**(429, 576)**	**(7,073,586)**
Net book value as of 31 December 2010	**2,088,628**	**451,670**	**2,540,298**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

20. Goodwill

	31 December 2011	31 December 2010
Opening balance, 1 January 2010	-	-
Additions	4,907,924	-
Foreign exchange differences	(8,821)	-
Closing balance, 31 December	**4,899,103**	-

21. Government Grant and Incentives

Pursuant to the resolution for Export Oriented Goverment Promotions No: 94/6401 and pursuant to the Comminiqué Regarding Research and Development Support No: 98/10 published based on Resolution of Money Credit Coordinate Committee, dated September 9th, 1998 and No: 98/16; specific rate of expenses which can be followed and evaluated within the scope of projects determined by expert organizations as bearing R&D qualification are covered by donation and capital support is provided by such projects by Undersecretariat of Foreign Trade on the condition of repayment.

Exports and other operations that bring foreign currencies into the country are exempt from trade duties and taxes, based on the systems and foundations set forth by the Ministry of Finance and the Undersecretary of Foreign Trade

The government grants are paid to support participating in international fairs in accordance with the decision No: 2004/11 of the Money Credit and Coordination Committee issued at 16 December 2004.

In accordance with tax office decision number 2009/15199 on Government Grants on Capital Expenditure, large scale capital projects in certain regions are subject to a reduced rate of corporate tax (Corporate Tax Law 5520, Clause 32/A). Companies benefit from the reduced rate of corporate tax until the grant amount stated on incentive certificate is reached. In addition the Group is also exempt from value added taxes and customs duties in relation to such capital projects.

22. Provisions, Contingent Assets and Liabilities

Provisions

Short-term provisions	31 December 2011	31 December 2010
Provision for energy expenses	1,563,561	1,519,667
Provision for litigation	2,092,851	720,743
Provision for other expenses	645,466	552,636
	4,301,878	**2,793,046**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Movements in provision for litigation are as follows:

	2011	2010
Provision at 1 January	720,743	721,692
Foreign currency differances	(63)	-
Period charge	1,399,072	102,363
Paid during period	-	(87,599)
Increase due to acquisition	35,132	-
Payments in the period/provisions released	(62,033)	(15,713)
Closing balance, 31 December	**2,092,851**	**720,743**

The Group management evaluated the views of its legal advisors and estimated the provision for litigation against the Group as TL 2,092,851 (31 December 2010: 720,743).

23. Commitments

Other commitments

The Company established a construction right over its 32,552 square meters real estate, on behalf of Camiş Elektrik Üretim A.Ş. for 30 years (31 December 2010: 32,552 square meters).

According to agreements made with Botaş Boru Hatları and Petrol Taşıma A.Ş., the Group has 30,000,000 m3 natural gas purchase commitment between 1 January 2012 - 31 December 2012 (31 December 2010: 23,400,000 m3).

As of 31 December 2011 and 2010 Group's other commitments are as follows:

	31 December 2011			
Collaterals, pledge and mortgages given by the Company	**Total (TRY)**	**USD**	**EUR**	**TRY**
A. Given Under the Group's Own Corporate Identity	30,635,995	2,713,445	9,728,025	1,737,221
B. Given In Favour of Fully Consolidated Subsidiaries	103,352,736	-	42,291,814	-
C. Continuation of Trading Operations				
Given In Favour of Third Parties for the Regular	None	None	None	None
D. Total of Other Guarantees, Pledges and Mortgages	221,377,404	59,791,864	44,372,106	0
i. Given in Favour of Main Shareholder	221,377,404	59,791,864	44,372,106	-
ii. Given in Favour of Third Parties Not Covered				
By B and C	None	None	None	None
iii. Given in Favour of Third Parties Not Covered by C	None	None	None	None
	355,366,135	**62,505,309**	**96,391,945**	**1,737,221**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	31 December 2010			
Collaterals, pledge and mortgages given by the Company	**Total (TRY)**	**USD**	**EUR**	**TRY**
A. Given Under the Group's Own Corporate Identity	13,567,640	2,689,005	3,668,574	1,893,163
B. Given In Favour of Fully Consolidated Subsidiaries	55,104,704	-	26,892,150	-
C. Continuation of Trading Operations				
Given In Favour of Third Parties for the Regular	None	None	None	None
D. Total of Other Guarantees, Pledges and Mortgages	231,305,180	74,807,739	56,440,591	-
i. Given in Favour of Main Shareholder	231,305,180	74,807,739	56,440,591	-
ii. Given in Favour of Third Parties Not Covered By B and C	None	None	None	None
iii. Given in Favour of Third Parties Not Covered by C	None	None	None	None
	299,977,524	**77,496,744**	**87,001,315**	**1,893,163**

The ratio of total value of granted collaterals, pledge and mortgages' to Group equity is 27.74% as of 31 December 2011 (37.58% as of 31 December 2010).

24. Provision for Employment Termination Benefits

Short-term employee benefits

	31 December 2011	31 December 2010
Due to personnel	1,584,231	1,022,339
Unusued vacation provisions	510,213	377,849
	2,094,444	**1,400,188**

Long-term employee benefits

Retirement pay provisions

Under Turkish Labor Law, the Company is required to pay employment termination benefits to each entitled employee. Also, employees are entitled to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to of the prevailing 506 numbered Social Insurance Law's Article 60, as amended by 6 March 1981 dated, 2422 numbered and 25 August 1999 dated, 4447 numbered laws. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TL 2,731,85 for each period of service as of 31 December 2011 (31 December 2010: TL 2,517.01).

The liability is not funded, as there is no funding requirement in Turkey. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 of 31 December 2011 and 31 December 2010, 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 balance sheet dates have been calculated assuming an annual inflation rate of 5% and a discount rate of 9,60%, resulting in a real discount rate of approximately 4,38% (31 December 2010: 4.66%). The anticipated rate of forfeitures is considered. The retirement pay provision ceiling is revised semi-annually, and TL 2,805.04 which is effective from 1 January 2012, is taken into consideration in the calculation of provision for employment termination benefits.(1 January 2011: 2.623,23 TL).

The movement of the employment termination benefits is as follows:

	2011	2010
Opening balance, 1 January	18,599,615	17,906,758
Increase due to acquisition	607,922	-
Exchange differences	74,858	-
Service costs	1,956,363	1,537,833
Interest costs	879,795	1,107,889
Actuarial Loss	265,680	839,539
Payments	(3,011,133)	(2,792,404)
Closing balance, 31 December	**19,373,100**	**18,599,615**

Increase in the provision has been charged to general administrative expenses in the current year consolidated statement of income.

25. Pension Plans

None.

26. Other Assets and Liabilities

Other current assets	**31 December 2011**	**31 December 2010**
Prepaid expenses	271,244	258,627
Prepaid taxes	50,260	12,561
Order advances given	3,430,882	7,930,538
VAT carried forward	4,966,355	3,507,567
Recoverable VAT on foreign sales	18,065,351	7,906,384
Other	186	11,939
	26,784,278	**19,627,616**

Other non-current assets	**31 December 2011**	**31 December 2010**
Prepaid expenses	595,143	584,418
Advances given	10,462,696	1,171,909
	11,057,839	**1,756,327**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Other current liabilities	31 Aralık 2011	31 Aralık 2010
Deferred revenue	20,136,857	11,678,954
Loses recognised in excess of Group's investment in joint-ventures(Note 16)	1,229,778	1,811,333
Taxes and dues payables	2,336,852	1,880,802
Social security premiums payable	1,841,373	1,173,916
Progress payments of ongoing construction contracts (Note 15)	-	9,330
Other	256,446	54,198
	25,801,306	**16,608,533**

Other non-current liabilities	31 December 2011	31 December 2010
Deferred revenue	3,653	8,583
	3,653	**8,583**

27. Equity

a) Capital / Treasury shares

Company's issued capital divided into 25.410.000.000 bearer shares with a par value of TL 0.01.

	31 December 2011	31 December 2010
Registered Capital	500,000,000	500,000,000
Paid-in-capital	254,100,000	254,100,000

Shareholder	%	31 December 2011	%	31 December 2010
Türkiye Şişe ve Cam Fabrikaları A.Ş.	70.8	179,815,220	70.8	179,815,220
Anadolu Cam Sanayii A.Ş.	14.2	36,189,875	14.2	36,189,875
Camiş Madencilik A.Ş.	.0	97,020	.0	97,020
Publicly held part	15.0	37,997,885	15.0	37,997,885
Nominal capital	100.0	254,100,000	100.0	254,100,000

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

b) Investment revaluation reserve

	31 December 2011	31 December 2010
Investment revaluation reserve	1,524,724	13,347,695
	1,524,724	**13,347,695**

Valuation fund on financial assets arises from the measurement of available-for-sale financial assets at their fair value. In case of disposal of assets carried at fair value, the cumulative gain or loss related to that assets previously recognized in equity is included in the profit or loss for the period. Gains and losses arising from changes in fair value are recognized directly in equity, until the asset is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

c) Restricted Profit Reserves

	31 December 2011	31 December 2010
Legal reserves	25,209,053	19,899,993
	25,209,053	**19,899,993**

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; however, holding companies are not subject to this application.

d) Retained Earnings

Parent company's extraordinary reserves is TL 224,620,667 (31 December 2010: TL 155,511,022) at the retained earnings amounting to TL 270,859,780 as of 31 December 2011 (31 December 2010: 227,063,827).

However, in accordance with the Communiqué Volume: XI, No: 29 issued on 1 January 2008 and other related CMB's announcements, "Paid-in capital", "Restricted profit reserves" and "Premium in excess of par" should be carried at their stated amounts in statutory records. Restatement differences (e.g. inflation restatement differences) arising from the application of the Communiqué should be associated with:

- "Capital restatement differences" account, following the "Paid-in capital" line item in the financial statements, if such differences are arising from "Paid-in Capital" and not added to capital;

-"Retained earnings/ Accumulated loss", if such differences are arising from "Restricted profit reserves" and "Premium in excess of par" and has not been subjected to profit distribution or capital increase,

Dividend Distribution

It has been decided that dividend distribution be performed in accordance with the principles stated in CMB Communiqué Serial IV No. 27 on the Principles to be Followed by Publicly Held Companies in Allocation of Dividends and Dividend Advances, provisions stated in the articles of associations of companies, and the dividend distribution policies announced by companies to the public.

In addition, with this CMB decision, it is regulated that companies which are obliged to prepare consolidated financial statements should disclose net distributable reserves, including the net profit for the year in the consolidated financial statements for that year, so long as they are distributable considering the stand-alone statutory financial statements of the parent company.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Distributable reserves

The amount of distributable reserves are shown below;

	31 December 2011	31 December 2010
Net profit for the period	184,379,204	88,802,395
Retained Earnings	224,620,667	155,511,022
	408,999,871	**244,313,417**

e) Non-controlling Interest

Movements of non-controlling interest are as follows:

	2011	2010
Opening balance, 1 January	5,467,744	8,099,499
Exchange differences	1,363,505	(357,877)
Change in consolidation structure	1,360,120	9,827
Capital increase in subsidiary	7,530	502,499
Current year loss	(598,077)	(2,786,204)
Closing balance, 31 December	**7,600,822**	**5,467,744**

The company, fulfilled its capital commitment amounting TL 42,470 to its subsidiary Dost Gaz Depolama A.Ş on 19 January 2011, minority participation in cash is TL 7,530.

Şişecam Soda Lukavac's capital was increased in cash in 2011. The Group's share in Şişecam Soda Lukavac increased to 88.37% from %85.91 (31 December 2010: 85,91%). Consequently, the non-controlling interest increased by TL 1,360,120 and equity attributable to equity holders of the parent company decreased by TL 1,360,120.

f) Dividend payment

The Company distributed dividends amounting to TL 19,057,500 on 31 May 2011 from the consolidated balance sheet with consolidated net profit amounting toTL 69,474,703 for the year 2010. The Company distributed per share of TL 1 nominal gross amount of TL 0.075 dividend, as a net TL 0.06375 dividend.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

28. Sales and Cost of Sales

Sales	**1 January - 31 December 2011**	**1 January - 31 December 2010**
Sales	876,286,005	664,206,016
Other revenues	259,470	267,063
Sales returns (-)	(178,166)	(521,920)
Sales discount (-)	(4,521,946)	(3,752,968)
Other deductions from sales (-)	(3,175)	(4,491)
	871,842,188	**660,193,700**

Cost of sales	**1 January - 31 December 2011**	**1 January- 31 December 2010**
Direct materials	(236,086,488)	(162,542,309)
Direct labor	(23,578,305)	(20,398,249)
Production overhead	(215,028,942)	(182,572,874)
Depreciation	(50,864,004)	(43,674,356)
Change in work in process	1,197,070	852,354
Change in finished goods	10,054,138	(9,646,504)
Cost of goods sold	(514,306,531)	(417,981,938)
Cost of merchandise sold	**(107,109,210)**	**(88,733,379)**
	(621,415,741)	**(506,715,317)**

29. Research and Development Expenses, Marketing, Selling and Distributing Expenses, General Administrative Expenses

	1 January- 31 December 2011	**1 January- 31 December 2010**
Marketing, selling, and distributing expenses (-)	(44,528,777)	(38,535,596)
General administrative expenses (-)	(40,665,678)	(38,173,524)
Research and development expenses (-)	(1,599,817)	(1,794,120)
	(86,794,272)	**(78,503,240)**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

30. Expenses by Nature

	1 January-31 December 2011	1 January-31 December 2010
Direct materials	(2,351,768)	(2,020,092)
Personnel expenses	(26,497,548)	(28,060,641)
Miscellaneous expenses	(31,555,663)	(25,448,137)
Services rendered by third parties	(20,702,050)	(18,370,370)
Duties, taxes and levies	(2,622,801)	(1,408,593)
Depreciation and amortisation expenses	(3,064,442)	(3,195,407)
	(86,794,272)	**(78,503,240)**

31. Other Operating Income/(Expenses)

Other Operating Income	1 January-31 December 2011	1 January-31 December 2010
Service income	1,795,876	3,212,173
Price differences	64,216	1,481,065
Profit on sale of property, plant and equipment	1,580,480	582,586
Rental income	1,553,885	1,579,889
Other ordinary income and profits	4,902,498	5,806,894
	9,896,955	**12,662,607**

Other Operating Expenses and Losses	1 January-31 December 2011	1 January-31 December 2010
Commission expenses	(22,056)	(8,222)
Cancellation of order	-	(1,039,482)
Allowance expenses	(1,584,363)	-
Other expense and losses	(1,525,858)	(1,642,631)
	(3,132,277)	**(2,690,335)**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

32. Finance Income

	1 January-31 December 2011	1 January-31 December 2010
Dividend income	29,992	16,300
Gain on sale of marketable securities	635	564
Interest income	8,272,833	5,066,898
Foreign exchange gains	86,557,271	37,584,693
Foreign exchange gains on bank borrowings	4,281,950	1,206,543
Discount income	143,049	4,854
	99,285,730	**43,879,852**

33. Finance Expenses

	1 January-31 December 2011	1 January-31 December 2010
Interest expense	(10,872,647)	(10,371,116)
Foreign exchange losses on bank borrowings	(17,147,846)	(254,271)
Discount expenses	(2,476)	(3,144)
Foreign exchange losses	(32,796,973)	(35,177,068)
	(60,819,942)	**(45,805,599)**

34. Assets Held for Sale and Discontinued Operations

None.

35. Tax Assets and Liabilities

Tax provision as of 31 December 2011 and 31 December 2010 are as follows:

Current period tax liability:	31 December 2011	31 December 2010
Current corporate tax liability	44,063,387	22,480,762
Less: Advance taxes	(35,743,814)	(15,423,274)
Tax provision in the balance sheet	**8,319,573**	**7,057,488**

	1 January-31 December 2011	1 January-31 December 2010
Current corporate tax liability	(44,063,387)	(22,480,762)
Deferred tax benefit	11,591,810	1,542,940
Taxation in the statement of income	**(32,471,577)**	**(20,937,822)**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Corporate Tax

The Company is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the year.

Şişecam Soda Lukavac d.o.o the subsidiary of the Group located in Bosnia Herzegovina is exempt from taxation due to the tax regulations of Bosnia Herzegovina as total export amount of Şişecam Soda Lukavac d.o.o exceeds 30% of its total sales.

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 rate of tax in 2011 is 20% (31 December 2010: 20%)

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2011 is 20% (31 December 2010: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within 5 years.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax was 10% starting from 24 April 2003. This rate was changed to 15% by Article 15 in the Code numbered 5520 commencing from 22 June 2006. However, until the resolution of council of ministers, it was used as 10%. After the resolution declared in the Official Gazette on 23 July 2006, this rate has been changed to 15% effective from 22 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Deferred Tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements prepared in compliance with IFRS and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS financial statements and statutory tax financial statements and are set out below.

Deferred tax assets and liabilities are calculated at 20% (31 December 2010: 20%).

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. In this respect deferred tax assets and liabilities of consolidated entities in the accompanying consolidated financial statements are not offset.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	31 December 2011	31 December 2010
Deferred tax assets	(414,028)	(31)
Deferred tax liabilities	6,652,836	18,852,329
Deferred tax liabilities (net)	**6,238,808**	**18,852,298**

Deferred tax (assets) / liabilities	31 December 2011	31 December 2010
Restatement and depreciation / amortization	20,082,030	21,355,312
Retirement pay provisions	(3,850,208)	(3,719,923)
Restatements of inventories	767,996	(647,488)
Impairment of available for sale financial asset	80,248	702,510
Deferred revenue	(1,514,676)	(805,784)
Foreign subsidiary dividend witholding provision	-	570,410
Losses from previous years	(5,554,210)	(5,546,591)
Reduced corporate teax	(8,778,725)	-
Other	(538,879)	(152,451)
Deferred tax liabilities	693,576	11,755,995
Provision for deferred tax asset (*)	5,545,232	7,096,303
Deferred tax liability as of balance sheet date	**6,238,808**	**18,852,298**

(*)The Group's associate Asmaş and Soda Lukavac only accounted the portion of carry forward tax loss which offsets its deferred tax liability.

The Group has TL 27,771,049 carry forward tax loss as of balance sheet date (31 December 2010: TL 27,732,953). Maturity of carry forward tax losses is as follows:

	31 December 2011
2012	4,967,555
2013	13,654,177
2014	3,441,407
2015	5,684,963
2016	22,947
	27,771,049

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Movement of deferred tax liabilities	2011	2010
Opening balance, 1 January	18,852,298	19,538,689
Exchange differences	10,528	-
Purchase effect of subsidiary	(409,946)	-
Deferred Tax accounted for under the equity method	(622,262)	856,549
Deferred tax income	(11,591,810)	(1,542,940)
Closing balance, 31 December	**6,238,808**	**18,852,298**

Reconciliation of taxation	1 January-31 December 2011	1 January-31 December 2010
Profit before taxation and minority interest	216,424,944	87,626,321
Effective tax rate	20%	20%
Expected taxation	(43,284,989)	(17,525,264)
Tax effects of		
- Non-deductible expenses	(580,521)	(130,958)
- Dividends and other non-taxable income(*)	5,998	124,019
- Previous period's losses exempt from tax	(3,120)	(1,134,021)
- Tax exemption (**)	(1,071,987)	(2,854,253)
- Effects of foreign subsidiaries subject to different tax rates	190,113	96,929
- Effect of investments accounted for under the equity method	152,411	(227,091)
- Impact of reduced corporate tax rate (Note 21)	8,778,725	-
- Other	3,341,793	712,817
Taxation in the statement of income	**(32,471,577)**	**(20,937,822)**

(*) Foreign dividend income is shown after it is netted off.

(**)Şişecam Soda Lukavac d.o.o the subsidiary of the Group located in Bosnia Herzegovina is exempt from taxation due to the tax regulations of Bosnia Herzegovina as total export amount of Şişecam Soda Lukavac d.o.o exceeds 30% of its total sales.

36. Earnings Per Share

Earnings per share	1-January 31 December 2011	1 January-31 December 2011
Average number of shares in circulation during the period	25,410,000,000	25,410,000,000
Net profit for the period attributable to equity holders of the parent	184,551,444	69,474,703
Earning per 1 TL nominal share from continued operations	0.726	0.273
The total comprehensive income to shareholders parent company	200,836,314	77,330,408
Earnings per share from total comprehensive income with nominal value of TL 1	0.790	0.304

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

37. Related Party Transactions

Details of balances and transactions between the Group and other related parties are disclosed below:

Deposits at T. İş Bankası A.Ş.	31 December 2011	31 December 2010
Demand deposit	4,402,311	6,107,478
Time deposit	152,082,882	105,881,766
	156,485,193	**111,989,244**

Loans received from related parties	31 December 2011	31 December 2010
Bank borrowings from İş Bankası	2,206,330	3,484,149
Bank borrowings through Şişecam Dış Ticaret A.Ş.	-	3,368,605
Bank borrowings through T.Şişe ve Cam Fabr. A.Ş	54,748,733	74,635,633
	56,955,063	**81,488,387**

Trade receivables from related parties	31 December 2011	31 December 2010
Şişecam Dış Ticaret A.Ş.	101,905,369	76,553,304
Trakya Glass Bulgaria EAD	526,657	376,759
Trakya Cam Yenişehir San. A.Ş.	1,016,117	872,889
Trakya Cam San. A.Ş.	1,350,346	1,838,661
T.Şişe ve Cam Fabrikaları A.Ş.	-	33,818
Anadolu Cam San. A.Ş.	639,871	668,039
Anadolu Cam Yenişehir San. A.Ş.	450,268	506,365
Paşabahçe Eskişehir Cam San.ve Tic. A.Ş.	5,196	97,518
Paşabahçe Cam San. ve Tic. A.Ş.	301,362	367,574
Camiş Madencilik A.Ş.	-	15,213
Oxyvit Kimya San. ve Tic. A.Ş.	87,955	55,044
Denizli Cam San. ve Tic. A.Ş.	-	20,957
Solvay Sodi AD	-	849,623
Sintan Kimya San. ve Tic.A.Ş.	131,582	223,306
Other	1,466	5,555
	106,416,189	**82,484,625**

Other receivables from related parties	31 December 2011	31 December 2010
Trakya Cam San. A.Ş.	3,165,760	-
Camiş Madencilik A.Ş.	1,207,191	2,346,789
Paşabahçe Mağazaları A.Ş.	190,031	184,174
Oxyvit Kimya San. ve Tic. A.Ş.	1,241,658	788,451
Anadolu Cam San. A.Ş.	1,152,616	-
Camser Madencilik A.Ş.	-	1,535,830
Paşabahçe Eskişehir Cam San.ve Tic. A.Ş.	267,771	-
Camiş Elektrik Üretim A.Ş.	6,326,703	8,140,330
Anadolu Cam Yenişehir San. A.Ş.	1,441,138	197,610
Cam Elyaf San. A.Ş.	150,087	-
İş Gayrimenkul Yat.Ort.A.Ş.	20,475	-
Sintan Kimya San. ve Tic. A.Ş.	5,086,143	1,451,114
Trakya Cam Yenişehir A.Ş.	1,549,690	435,185
	21,799,263	**15,079,483**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Trade payables to related parties	31 December 2011	31 December 2010
T. Şişe ve Cam Fabr. A.Ş.	1,309,197	737,686
Solvay Sodi AD	4,730,685	2,614,570
Trakya Cam San. A.Ş.	222,386	-
Paşabahçe Cam San. ve Tic. A.Ş.	307,799	-
Şişecam Dış Ticaret A.Ş.	9,766,112	-
Camiş Menkul Değerler A.Ş.	49	88
İş Merkezleri Yönetim ve İletişim A.Ş.	12,641	3,693
Camiş Madencilik A.Ş.	53	19,651
Anadolu Cam San. A.Ş.	92,253	-
Vijenac Doo Lukavac	624,351	-
Camiş Elektrik Üretim A.Ş.	16,893,958	13,207,542
Camiş Ambalaj San. A.Ş.	4,130	29,125
	33,963,614	**16,612,355**

Non-trade payables to related parties	31 December 2011	31 December 2010
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	171,651	173,740
Anadolu Cam San. A.Ş.	-	1,040,027
Denizli Cam Sanayi A.Ş.	899,227	93,521
Trakya Cam San. A.Ş.	-	1,473,096
Paşabahçe Mağazaları A.Ş.	-	853,202
Paşabahçe Cam San. ve Tic. A.Ş.	1,441,787	-
Paşabahçe Eskişehir Cam San. ve Tic. A.Ş.	-	1,082,298
Cam Elyaf San.A.Ş.	-	434,775
Çayırova Cam San. A.Ş.	242,436	969,236
T.Şişe ve Cam Fabr. A.Ş.	55,423,248	20,108,599
Şişecam Dış Ticaret A.Ş.	5,763,510	3,857,463
Other	10,277	10,304
	63,952,136	**30,096,261**

The non-trade receivables and payables of the Group with its related parties consist of loans given to and received from Türkiye Şişe ve Cam Fabrikaları A.Ş. and its subsidiaries. These non-trade receivables and payables do not have maturities. Interest is accrued using a monthly current account interest rate determined by Türkiye Şişe ve Cam Fabrikaları A.Ş. The interest rate used for December 2011 was 0.82% (December 2010: 0.70%)

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Sales to related parties	1 January- 31 December 2011	1 January- 31 December 2010
Trakya Cam San. A. Ş.	49,626,674	35,228,373
Paşabahçe Cam San. ve Tic. A. Ş.	11,061,112	8,490,881
Paşabahçe Eskişehir Cam San. ve Tic. A.Ş.	6,681,512	6,305,768
Camiş Madencilik A. Ş.	59,682	-
Denizli Cam San. ve Tic. A. Ş.	256,701	397,110
Sintan Kimya San.Tic.A.Ş.	844,453	562,278
Cam Elyaf San. A. Ş.	268,774	186,117
Anadolu Cam San. A. Ş.	21,362,612	17,442,834
Trakya Cam Yenişehir A. Ş.	29,272,907	26,906,350
Anadolu Cam Yenişehir A. Ş.	18,019,663	14,783,714
Şişecam Dış Ticaret A. Ş.	460,330,851	358,096,365
Trakya Glass Bulgaria EAD	19,185,391	16,230,791
Vijenac Doo Lukavac	153,116	-
Oxyvit Kimya San. ve Tic. A. Ş.	2,144,865	1,039,718
	619,268,313	**485,670,299**

Purchases from related parties	1 January- 31 December 2011	1 January 31 December 2010
Oxyvit Kimya San. ve Tic.A.Ş.	518,659	463,208
Vijenac Doo Lukavac	7,188,414	-
Camiş Madencilik A. Ş.	10,655	830
Camiş Elektrik Üretim A. Ş.	150,987,355	121,568,866
Solvay Sodi AD	94,238,683	72,803,369
	252,943,766	**194,836,273**

Finance income from related parties	1 January- 31 December 2011	1 January- 31 December 2010
Trakya Cam San. A. Ş.	204,435	90,481
Trakya Cam Yenişehir A. Ş.	85,630	15,624
Anadolu Cam San. A. Ş.	91,385	64,541
Anadolu Cam Yenişehir A. Ş.	129,913	66,071
T.Şişe ve Cam Fabr. A.Ş.	-	107,152
Paşabahçe Cam San. ve Tic. A. Ş.	29,067	4,208
Sintan Kimya San.Tic.A.Ş.	69,195	34,666
Oxyvit Kimya San. ve Tic.A.Ş.	134,302	49,105
Cam Elyaf San. A. Ş.	862,920	28,906
Camiş Madencilik A. Ş.	171,660	56,550
Camiş Elektrik Üretim A. Ş.	444,011	110,239
Cam-Ser Madencilik A.Ş.	-	104,619
T.İş Bankası A. Ş.	4,724,386	3,095,638
İşbank Gmbh	-	134,986
Other	17,934	10,673
	6,964,838	**3,973,459**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Finance expense to Related Parties	1 January-31 December 2011	1 January-31 December 2010
Şişecam Dış Ticaret A. Ş.	217,158	137,009
Camiş Ambalaj Sanayi A.Ş.	5,043	5,502
Denizli Cam Sanayi A.Ş.	49,849	-
Anadolu Cam San. A. Ş.	10,850	6,764
Anadolu Cam Yenişehir A. Ş.	8,913	-
Çayırova Cam San. A. Ş.	36,855	52,863
Paşabahçe Cam San. ve Tic. A. Ş.	203,198	124,850
T.İş Bankası A. Ş.	90,805	1,202,474
İşbank Gmbh	755,240	793,239
T.Şişe ve Cam Fabr. A. Ş.	2,762,699	2,603,911
Paşabahçe Eskişehir Cam San. ve Tic. A.Ş.	88,404	48,383
Camiş Elektrik Üretim A.Ş.	-	594,060
Trakya Cam San.A.Ş.	21,903	19,420
Other	20,383	10,735
	4,271,300	**5,599,210**

Dividend Income from Related Parties	1 January-31 December 2011	1 January-31 December 2010
Camiş Elektrik Üretim A. Ş.	-	15,937
NemtaşNemrut Liman İşlt.A.Ş.	29,992	-
İş Merk.Yön ve İşlt. A. Ş.	-	363
	29,992	**16,300**

Commision expense to related parties	1 January-31 December 2011	1 January-31 December 2010
T.Şişe ve Cam Fabr. A. Ş.	341,546	251,201
Şişecam Dış Ticaret A. Ş.	2,436,356	1,806,307
	2,777,902	**2,057,508**

Service expense to related parties	1 January-31 December 2011	1 January-31 December 2010
T.Şişe ve Cam Fabr. A. Ş.	8,051,934	5,701,575

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Other income from related parties	1 January- 31 December 2011	1 January- 31 December 2011
Cam Elyaf San. A. Ş.	1,032,967	915,554
Camiş Madencilik A. Ş.	1,443,795	1,813,238
Camser Madencilik A. Ş.	-	332,917
Paşabahçe Cam San. ve Tic. A. Ş.	942,939	566,705
T.Şişe ve Cam Fabr. A. Ş.	133,805	142,470
Trakya Cam San. A. Ş.	3,322,230	1,730,747
Trakya Cam Yenişehir A. Ş.	39,763	194,246
Anadolu Cam Yenişehir A. Ş.	2,500,241	2,021,477
Camiş Elektrik Üretim A. Ş.	5,000,782	5,320,879
Anadolu Cam San. A. Ş.	1,984,964	1,848,406
Oxyvit Kimya San. Ve Tic. A. Ş.	852,554	654,236
Sintan Kimya San.ve Tic. A. Ş.	63,472	114,769
Solvay Sodi AD	1,475,743	2,490,046
Other	15,963	2,724
	18,809,218	**18,148,414**

Other expense to related parties	1 January- 31 December 2011	1 January- 31 December 2010
T.İş Bankası A. Ş.	833,868	501,030
Cam Elyaf San. A. Ş.	10,132	26,285
İş Merkezleri Yön. ve İşl. A. Ş.	525,615	468,592
Camiş Ambalaj San.A.Ş.	300,039	262,463
Paşabahçe Mağazaları A.Ş.	27,730	28,599
Şişecam Shanghai Trading Co.Ltd.	1,076,832	902,511
T.Şişe ve Cam Fabrikaları A.Ş.	495,245	448,458
Çayırova Cam San. A. Ş.	651,805	468,415
Anadolu Anonim Türk Sig. Şti.	-	75,448
Camiş Menkul Değerler A.Ş.	12,808	15,413
İş Gayrimenkul Yat.Ort.A.Ş.	1,183,399	1,052,457
Paşabahçe Cam San. ve Tic. A. Ş.	10,289	-
	5,127,762	**4,249,671**

Compensation to key management is follows:

Compensation to key management	1 January- 31 December 2011	1 January- 31 December 2010
Equity holders of the parent	1,899,597	1,822,816
Other companies subject to consolidation	633,487	602,570
	2,533,084	**2,425,386**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

38. Nature and Level of Risks Derived from Financial Instruments

a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as 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 and other debts disclosed in Note 8 and 10, cash and cash equivalents disclosed in Note 6 and equity comprising issued capital, reserves and retained earnings as disclosed in Note 27.

The management of the Group considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

The Group controls its capital using the net debt / total equity ratio. This ratio is the calculated as net debt divided by the total equity amount. Net debt is calculated as total liability amount (comprises of financial liabilities and trade payables as presented in the balance sheet) less cash and cash equivalents.

As of 31 December 2011 and 31 December 2010, the Group's net debt / total equity ratios are as follows:

	31 December 2011	**31 December 2010**
Total liabilities	426,818,840	329,346,274
Less: Cash and cash equivalents	(197,145,157)	(139,446,225)
Net debt	**229,673,683**	**189,900,049**
Total equity	797,974,827	615,423,055
Net debt / total equity ratio	**29%**	**31%**

(b) Financial Risk Factors

The Group's activities expose it to various financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects over the Group's financial performance.

Risk management is carried out by the Risk Management Department, which is independent from steering, under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors sets out written principles for overall risk management, as well as written policies covering specific areas, such as; foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

(b.1) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's management mitigates this risk through limitations on the contracts made with counterparties and obtaining sufficient collaterals where appropriate. The Group's credit risks mainly arise from its trade receivables. The Group manages this risk by the credit limits up to the guarantees received from customers. Use of credit limits is monitored by the Group by taking into consideration the customer's financial position, past experiences and other factors and customer's credibility is evaluated on a consistent basis. Trade receivables are evaluated based on the Group's policies and procedures and presented net of doubtful provision in the financial statements accordingly (Note 10).

Trade receivables consist of many customers operating in various industries and locations. Credit risk of the receivables from counterparties is evaluated periodically.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Credit risks exposed through types of financial instruments

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2011	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Deposits**	**Other**
Maximum credit risk exposure as of balance sheet date (*)	106,416,189	63,090,405	21,799,263	14,551,343	197,112,879	-
- Under guarantee with collaterals, etc.	(46,088,279)	(16,331,223)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	94,000,746	57,402,290	21,799,263	14,551,343	197,112,879	-
- Under guarantee with collaterals, etc.	(42,021,594)	(13,047,690)	-	-	-	-
B. Net book value of financial assets that, whose terms have been renegotiated, would otherwise be past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	12,415,443	5,688,115	-	-	-	-
- Under guarantee with collaterals, etc.	(4,066,685)	(3,283,533)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	2,706,134	-	230,193	-	-
- Impairment (-)	-	(2,706,134)	-	(230,193)	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not considered in the calculation

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Credit risks exposed through types of financial instruments:

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2010	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Deposits**	**Other**
Maximum credit risk exposure as of balance sheet date (*)	82,484,625	28,263,662	15,079,483	2,402,523	139,416,825	-
- Under guarantee with collaterals, etc.	(48,974,276)	(6,812,196)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	75,022,206	24,502,474	15,079,483	2,402,523	139,416,825	-
- Under guarantee with collaterals, etc.	(45,010,859)	(5,471,402)	-	-	-	
B. Net book value of financial assets that whose terms have been renegotiated, would otherwise be past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	7,462,419	3,761,188	-	-	-	-
- Under guarantee with collaterals, etc.	(3,963,417)	(1,340,794)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	1,110,221	-	193,014	-	-
- Impairment (-)	-	(1,110,221)	-	(193,014)	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not considered in the calculation.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Total of trade receivables not due as of 31 December 2011 is TL 151,403,036 (31 December 2010: TL 99,524,680).

Guarantees received from the customers by the Group are as follows:

	31 December 2011	31 December 2010
Guarantee letter	15,766,693	6,571,365
Mortgages	564,530	240,831
	16,331,223	6,812,196

As of 31 December 2011, trade receivables amounting to TL 18,103,558 which are past due were not considered as impaired and no provision has been recorded (31 December 2010: TL 11,223,607). The Group does not anticipate collection risk for the trade receivables considering the dynamics and circumstances of the industry in which it operates. The current status of overdue trade receivables is a result of the characteristics of the industry and is similar to the prior period status.

As of 31 December 2011, trade receivables amounting to TL 2,706,134 (31 December 2010: TL 1,110,221) was considered to be impaired and were provided in full (31 December 2010: TL 1,110,221). The provisions on impaired receivables have been estimated based on the experience from previous years considering the collection issues associated with these receivables. The group manages its credit risk by reducing the average counterparty limits and obtaining collaterals if needed. Credit risk is mostly related to trade receivables. The Group manages its credit risk for dealers by capping dealers' limit with the collaterals received. The utilization of credit limits is continuously monitored; and the customers' credit quality is monitored by evaluating customers' financial position, the experience from previous years and other factors. Trade receivables are evaluated by considering the Group policies and procedures and are presented on the balance sheet net of the doubtful receivable provision.

Trade receivables that past due but not impaired are as stated below:

	31 December 2011	31 December 2010
Overdue up to one month	12,408,393	7,498,682
Overdue for 1-3 months	1,528,560	2,044,266
Overdue for 3-12 months	4,166,605	1,680,659
Total overdue receivables	18,103,558	11,223,607
The part under guarantee with collateral etc.	(7,350,218)	(5,304,211)

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of balance sheet date collaterals for the trade receivables that past due but not impaired are as stated below:

	31 December 2011	31 December 2010
Guarantee letter	3,187,080	1,301,669
Mortgages	96,453	39,125
Commercial letter of credit	1,082,048	274,647
Eximbank export insurance	2,878,046	3,688,770
Factoring	106,591	-
	7,350,218	**5,304,211**

(b.2) Liquidity risk management

Group manages the liquidty risk, by monitoring cash flows and matching the maturity dates of financial assets and liabilities to provide continuance for reserve and borrowing funds

Conservative liquidity risk management requires maintaining adequate reserves in addition to having the ability to utilize adequate level of credit lines and funds as well as closing market positions.

Funding risk attributable to the current and future potential borrowing needs is managed by providing continuous access to adequate number of creditors with high quality

The following table details the Group's expected maturity for its financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the balance sheet.

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated.)

31 December 2011 Maturities in accordance with contracts	Carrying value	Total contractional cash outflows (I+II+III+IV)	Less than 3 months (II)	3-12 months (III)	1-5 years (IV)	More than 5 years (V)
Non derivative financial liabilities						
Bank borrowings	196,634,860	215,675,999	37,756,326	29,678,174	132,961,633	15,279,866
Trade payables	54,249,495	54,649,067	53,673,410	975,657	-	-
Due to related parties (Note 37)	97,915,750	97,915,750	86,240,992	11,674,758	-	-
Other payables	11,471,945	11,471,945	7,992,941	3,479,004	-	-
Total liabilities	**360,272,050**	**379,712,761**	**185,663,669**	**45,807,593**	**132,961,633**	**15,279,866**

31 December 2010 Maturities in accordance with contracts	Carrying value	Total contractional cash outflows (I+II+III+IV)	Less than 3 months (II)	3-12 months (III)	1-5 years (IV)	More than 5 years (V)
Non derivative financial liabilities						
Bank borrowings	180,893,639	197,318,645	27,883,153	35,036,350	112,423,044	21,976,098
Trade payables	31,447,320	31,576,939	31,564,708	12,231	-	-
Due to related parties (Note 37)	46,708,616	46,708,616	46,708,616	-	-	-
Other payables	4,976,917	4,976,917	1,338,018	3,638,899	-	-
Total liabilities	**264,026,492**	**280,581,117**	**107,494,495**	**38,687,480**	**112,423,044**	**21,976,098**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

(b.3) Market risk management

The Group faces financial risks relating to fluctuations in the exchange and interest rates due to its activities. Market risks of the Group are measured on the basis of sensitivity analyses. There has been no change in the market risk the Group faces or method of handling the risks met or method of measuring such risks, compared to the previous year.

(b.3.1) Foreign currency risk management

Foreign currency transactions, give rise to foreign currency risk. Certain transactions denominated in foreign currencies results in foreign currency. The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follows:

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	31 December 2011			
	TL Equivalent	**US Dollar**	**Euro**	**Other**
1. Trade receivables	100,481,544	38,528,674	11,050,462	699,613
2a. Monetary financial assets(cash and banks included)	175,857,710	87,588,489	4,129,609	319,875
2b. Non monetary financial assets	-	-	-	-
3. Other receivables	114,590	48,730	9,225	-
4. Current assets	276,453,844	126,165,893	15,189,296	1,019,488
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non monetary financial assets	-	-	-	-
7. Other receivables	-	-	-	-
8. Non current assets	-	-	-	-
9. Total assets	276,453,844	126,165,893	15,189,296	1,019,488
10. Trade payables	14,295,092	2,057,270	4,256,511	7,053
11. Financial liabilities	28,776,103	11,857,427	2,610,119	-
12a. Other monetary liabilities	6,981,482	1,396,133	1,777,693	-
12b. Other non monetary liabilities	-	-	-	-
13. Short term liabilities	50,052,677	15,310,830	8,644,323	7,053
14. Trade payables	-	-	-	
15. Financial liabilities	28,178,963	12,761,905	1,666,667	-
16a. Other monetary liabilities	-	-	-	
16b. Other non monetary liabilities	-	-	-	
17. Long term liabilities	28,178,963	12,761,905	1,666,667	-
18. Total liabilities	78,231,640	28,072,735	10,310,990	7,053
19. Net assets /(liability)position of off balance sheet derivative items (19a-19b)	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-
20. Net foreign assets / (liability) position(9-18+19)	198,222,204	98,093,158	4,878,306	1,012,435
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	198,107,614	98,044,428	4,869,081	1,012,435
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	
23. Foreign currency hedged assets	-	-	-	
24. Foreign currency hedged liabilities	-	-	-	
25. Export	580,915,295	182,473,198	116,134,908	6,107,703
26. Import	191,057,429	47,135,182	47,621,286	1,616,835

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	31 December 2010			
	TL Equivalent	**US Dollar**	**Euro**	**Diğer**
1. Trade receivables	81,686,523	34,012,540	13,857,268	708,208
2a. Monetary financial assets(cash and banks included)	135,110,936	82,033,777	4,036,689	15,137
2b. Non monetary financial assets	-	-	-	-
3. Other receivables	94,240	48,730	9,225	-
4. Current assets	216,891,699	116,095,047	17,903,182	723,345
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non monetary financial assets	-	-	-	-
7. Other receivables	-	-	-	-
8. Non current assets	-	-	-	-
9. Total assets	216,891,699	116,095,047	17,903,182	723,345
10. Trade payables	4,837,943	1,138,026	1,495,530	14,064
11. Financial liabilities	29,981,649	15,311,599	3,079,360	-
12a. Other monetary liabilities	2,512,608	773,047	642,954	-
12b. Other non monetary liabilities	-	-	-	-
13. Short term liabilities	37,332,200	17,222,672	5,217,844	14,064
14. Trade payables	-	-	-	-
15. Financial liabilities	46,477,904	24,452,381	4,233,333	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non monetary liabilities	-	-	-	-
17. Long term liabilities	46,477,904	24,452,381	4,233,333	-
18. Total liabilities	83,810,104	41,675,053	9,451,177	14,064
19. Net assets /(liability)position of off balance sheet derivative items (19a-19b)	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-
20. Net foreign assets / (liability) position	133,081,595	74,419,994	8,452,005	709,281
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	132,987,355	74,371,264	8,442,780	709,281
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Foreign currency hedged assets	-	-	-	-
24. Foreign currency hedged liabilities	-	-	-	-
25. Export	430,836,120	153,285,440	98,615,257	4,951,773
26. Import	141,613,857	38,412,401	42,066,918	379,120

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

The Group is mainly exposed to Euro and US Dollars risks. Effects of other currencies are immaterial.

Assets and liabilities denominated in foreign currencies are translated at the exchange rates announced by the Turkish Central Bank as of the balance sheet date 31 December 2011: USD Dollar 1 = TL 1.8889 and Euro 1 = TL 2.4438 (31 December 2010: USD Dollar 1 = TL 1.5460 and Euro 1 = TL 2.0491).

The table below presents the Group's sensitivity to a 10% deviation in foreign exchange rates especially US dollars and Euro. 10% is the rate used by the Group when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Group's management. 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. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit / loss or equity.

Foreign currency sensitivity	**31 December 2011**			
	Profit / Loss		**Equity**	
	Foreign currency appreciation	**Foreign currency devaluation**	**Foreign currency appreciation**	**Foreing currency depreciation**
	Change of US Dollar against TL by 10%			
1 - US Dollars net assets / liabilities	18,528,817	(18,528,817)	-	-
2 - US Dollars hedged from risks (-)	-	-	-	-
3 - US Dollars net effect (1 + 2)	**18,528,817**	**(18,528,817)**	**-**	**-**
	Change of Euro against TL by 10%			
4 - Euro net assets / liabilities	1,192,160	(1,192,160)	13,477,211	(13,477,211)
5 - Euro hedged from risks (-)	-	-	-	-
6 - Euro net effect (4 + 5)	**1,192,160**	**(1,192,160)**	**13,477,211**	**(13,477,211)**
	Change of other currencies against TL by 10%			
7 - Other currencies net assets / liabilities	101,244	(101,244)	-	-
8 - Other currencies hedged from risks (-)	-	-	-	-
9 - Other currencies net effect (7 + 8)	**101,244**	**(101,244)**	**-**	**-**
Total (3 + 6 + 9)	**19,822,221**	**(19,822,221)**	**13,477,211**	**(13,477,211)**

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	31 December 2010			
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreing currency depreciation
Change of US Dollar against TL by 10%				
1 - US Dollars net assets / liabilities	11,505,331	(11,505,331)	-	-
2 - US Dollars hedged from risks (-)	-	-	-	-
3 - US Dollars net effect (1 + 2)	**11,505,331**	**(11,505,331)**	**-**	**-**
Change of Euro against TL by 10%				
4 - Euro net assets / liabilities	1,731,900	(1,731,900)	12,028,306	(12,028,306)
5 - Euro hedged from risks (-)	-	-	-	-
6 - Euro net effect (4 + 5)	**1,731,900**	**(1,731,900)**	**12,028,306**	**(12,028,306)**
Change of other currencies against TL by 10%				
7 - Other currencies net assets / liabilities	70,928	(70,928)	-	-
8 - Other currencies hedged from risks (-)	-	-	-	-
9 - Other currencies net effect (7 + 8)	**70,928**	**(70,928)**	**-**	**-**
TOPLAM (3 + 6 +9)	**13,308,159**	**(13,308,159)**	**12,028,306**	**(12,028,306)**

(b.3.2) Interest rate risk management

The Group's exposure to interest rate risk is related to its financial liabilities. The Group's financial liabilities mostly consist of fixed rate borrowings. Based on the current balance sheet composition and analysis calculated by the Group, if the interest rates were increased / decreased by 1% with the assumption of keeping all other variables constant, the effect on net profit / loss for the period before taxation and minority interest would decrease / increase by TL 1,942,656 as of 31 December 2011 (31 December 2010: TL 1,742,379).

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Interest rate sensitivity

The Group's financial instruments that sensitive to interest rates are as follows:

	31 December 2011			
Financial Assets	**Floating intrest**	**Fixed Interest**	**Non-Interest Bearing**	**Total**
Cash and cash equivalents	-	175,280,267	21,864,890	197,145,157
Available for sale financial assets	-	-	29,130,519	29,130,519
Trade receivables	-	169,506,594	-	169,506,594
Other receivables	-	36,457,274	-	36,457,274
Financial Liabilities				
Bank borrowings	196,634,860	-	-	196,634,860
Trade payables	-	88,213,109	-	88,213,109
Other payables	-	75,424,081	-	75,424,081

	31 December 2010			
Financial Assets	**Floating intrest**	**Fixed Interest**	**Non-Interest Bearing**	**Total**
Cash and cash equivalents	-	131,461,884	7,984,341	139,446,225
Available for sale financial assets	-	-	41,545,760	41,545,760
Trade receivables	-	110,748,287	-	110,748,287
Other receivables	-	17,482,006	-	17,482,006
Financial Liabilities				
Bank borrowings	175,891,103	4,894,168	108,368	180,893,639
Trade payables	-	48,059,675	-	48,059,675
Other payables	-	35,073,178	-	35,073,178

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

(b.3.3) Other price risks

The Group is exposed to market price risk due to its equity share investments. Equity share investments are held for strategic purposes rather than trading purposes. The group does not trade those investments actively.

Equity price sensitivity

Sensitivity analysis presented below is determined based on the equity share price risks as of the reporting date.

As of the reporting date, if the equity share prices were increased / decreased by 10% with the assumption of keeping all other variables constant:

- As of 31 December 2011, if equity share investments classified as available for sale assets would not be disposed of or as long as not impaired, net profit/loss would not be affected,

- Increases/decrease in the other equity funds would amount to TL 794,004 (31 December 2010: increase/ decrease amounts to TL 2,038,527). This change is caused by the fair value change of equity share investments classified as available for sale.

39. Fair Value of Financial Instruments and Hedge Accounting

31 December 2011

Financial assets	Loans and receivables	Available for sale financial assets	Financial liabilities at amortized cost	Carrying value	Note
Cash and cash equivalents	197,145,157	-	-	197,145,157	6
Financial assets	-	29,130,519	-	29,130,519	7
Trade receivables	169,506,594	-	-	169,506,594	10
Other receivables	36,457,274	-	-	36,457,274	11
Financial liabilities					
Financial liabilities	-	-	196,634,860	196,634,860	8
Trade payables	-	-	88,213,109	88,213,109	10
Other payables	-	-	75,424,081	75,424,081	11

31 December 2010

Financial assets	Loans and receivables	Available for sale financial assets	Financial liabilities at amortized cost	Carrying value	Note
Cash and cash equivalents	139,446,225	-	-	139,446,225	6
Financial assets	-	41,545,760	-	41,545,760	7
Trade receivables	110,748,287	-	-	110,748,287	10
Other receivables	17,482,006	-	-	17,482,006	11
Financial liabilities					
Financial liabilities	-	-	180,893,639	180,893,639	8
Trade payables	-	-	48,059,675	48,059,675	10
Other payables	-	-	35,073,178	35,073,178	11

(*)The Group believes that the carrying values of its financial instruments reflect their fair values.

SODA SANAYİİ A.Ş. AND ITS SUBRIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2011

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

Fair Value of Financial Instruments

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

- Level 1: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.
- Level 2: Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.
- Level 3: Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.

		Financial assets at fair value as of reporting date		
	31 December	Level 1	Level 2	Level 3
Financial assets	**2011**	**TL**	**TL**	**TL**
Financial assets available for sale	7,940,039	7,940,039	-	-
Total	**7,940,039**	**7,940,039**	**-**	**-**

		Financial assets at fair value as of reporting date		
	31 December	Level 1	Level 2	Level 3
Financial assets	**2010**	**TL**	**TL**	**TL**
Financial assets available for sale	20,385,272	20,385,272		-
Total	**20,385,272**	**20,385,272**		

40. Events after the Balance Sheet Date

CMB, in their meeting number 6/180 and dated 23 Februrary 2012, has approved the proposed transaction that will see the Group take over the co-generation power plant that will be carved out of Camiş Elektrik Üretim A.Ş. The transaction will be voted for approval in the extraordinary shareholder's meeting on 28 March 2012.

The end date of collective labor agreement between the company and Petrol İş Union is 31 December 2011. Negotiations for new Labor Agreement Contracts will start at January 2012 for the periods of 1 January 2012- 31 December 2013.

41. Other Issues That Significantly Affect the Financial Statements or Other Issues Required For The Clear Understanding of Financial Statements

None.

SODA SANAYİİ A.Ş.

STATEMENT OF COMPLIANCE WITH THE PRINCIPLES OF CORPORATE MANAGEMENT

This statement expresses the responsibilities of Soda Sanayii A.Ş. (Soda) for the issues of providing information to the shareholders and public, achieving transparency in connection therewith, regulation of the relationships with the interest owners and determining the tasks, powers and responsibilities of the Board of Directors and committees and managers working under it subject to the Corporate Management Principles in Communiqué Serial No IV No 56 "on the Determination and Implementation of the Corporate Management Principles" by the Capital Market Council (SPK), which entered into force after promulgation in Issue No 28158 of the Official Gazette dated December 30, 2011 and also in the Communiqué Serial No IV No: 57 amending this communiqué.

Soda, which was incorporated as a member of Şişecam Community and a subsidiary of Türkiye İş Bankası AŞ in 1969, currently operates in the industries of soda products and chromium chemicals. Soda, which is one of the leading producers in the world in the field of chromium chemicals, offers its products mainly comprising basic chromium sulfate, chromic acid, sodium sulfur and sodium sulfidrate produced at Kromsan Factory in Mersin and supplied from its subsidiary, Cromital S.p.A, in Italy to a number of major industrial sectors such as wood impregnation, chemicals and paper both locally and internationally.

Through İzmir based Asmaş Ağır Makine Sanayii AŞ acquired as one of its Affiliates in 2008, Soda also provides services in the form of establishing turn key facilities and producing project technology and equipment in the industries of iron and steel, cement, energy and defense as well as the soda sector.

As Soda is among the world's top 10 suppliers and Europe's 4 top suppliers in the soda sector, it also enjoys a position among the world's top 3 producers in the field of chromium chemicals. As required by this position, the company has built its understanding of management on the principles of equality, transparency, accountability and responsibility. Its specialization thanks to the dimensions reached currently and its presence among Europe's and world's select producers in its field through its highly competitive operations are the most apparent evidence of this understanding of management.

Soda attaches utmost importance to increased efficiency and to the continuity of cost reductions and achieve these targets by supporting them with modernization and R & D investments. Also having high sensitivity to the issue of environment and labor health, Soda carries out its activities in this field under the Triple Responsibility System which is applied by the chemical sectors of the developed countries on a voluntary basis.

Issues such as the principles of contemporary management and industrialism, high level of institutionalization, focus on the market and R & D, growth, increased efficiency and product and service quality, which have carried Soda to its current position, constitute the fundamental foundations of tomorrow's stronger Soda. Soda targets to strengthen this position further by adopting the Corporate Management Principles.

Our company has fully met its obligations in connection with the shareholders and interest holders over the issue of compliance with the Corporate Management Principles in the operating period which ended on December 31, 2011. As part of the objective of expanding the rights of the shareholders to acquire information, the Corporate Internet site of the Company is now open for use by the shareholders and interest holders in Turkish and English. In addition, studies have been initiated, with details on such studies presented in the relevant part of the report, under compliance with the Corporate Management Principles in Communiqué Serial No IV No 56 "on the Determination and Implementation of the Corporate Management Principles" by the Capital Market Council (SPK), which entered into force after promulgation in Issue No 28158 of the Official Gazette dated December 30, 2011 and also in the Communiqué Serial No IV No: 57 amending this communiqué.

1 – SHAREHOLDERS

1.1 Facilitation of exercise by the shareholders of their rights

In ensuring the exercise by the shareholders of their rights, there is strict compliance with applicable legislation, the Articles of Incorporation and other Company wide regulations and measures which would ensure exercise of these rights are introduced and all the shareholders receive equal treatment.

For the purpose of having the ability to meet any obligations arising from the Capital Market Legislation subject to the rules, which are set forth by legislation, and maintain the operations in a more effective manner, central understanding has been adopted and the corresponding structuring has been initiated in our Community. In this context, any obligations arising from the Turkish Commercial Legislation and Capital Market Legislation are met under the supervision, guidance and coordination of the Unit for Relations With the Shareholders, which has been set up within the Financial Operations Group President's Office in Şişecam, the parent company, in line with SPK Corporate Management Principles for a long time.

In addition to the company organs, the "Department of Shareholder Relations" which has been compulsorily set up as required by legislation plays an effective role in protection and exercise of the shareholding rights, particularly receipt of information and review rights.

There is much information and data in connection with our Company under the corporate management profile in the part on the Department of Shareholder Relations, which is available in a Turkish format on our Corporate Web Site. The relevant Internet site is regularly monitored and updated by the Department of Shareholder Relations. Any questions and inquiries directed by the shareholders and other interested parties by tools such as e-mail, letter and telephone are replied in coordination with the Department of Shareholder Relations in the shortest time reasonably possible.

Major activities which are carried out under the responsibility of Department of Shareholder Relations accordingly are summarized below.

a) To meet any requests by the shareholders for verbal and written information on the Company save for such information classified confidential and trade secret, which has not been publicly disclosed
b) To hold any General Assembly meetings in strict compliance with the legislation in force, Articles of Incorporation and other Company wide regulations
c) To prepare such documentation, which may be used by the shareholders at the General Assembly meetings
d) To keep records of the voting results and ensure that reports about such results are sent to any shareholders upon request
e) To ensure that any issues in connection with public disclosure including requirements of legislation and Company Information Policy are strictly observed and monitored
f) To keep and maintain any records in connection with the shareholders in a sound, reliable and current condition
g) To provide information to investors by participating at the meetings held in the Company head office as well as in conferences and meetings organized by various organizations locally and internationally
h) To provide information to analysts who conduct assessments on the Company
i) Both Turkish and English versions of the Corporate Internet Site of the Company have been updated and thus, it is now ensured that the shareholders have rapid and easy access to any information on the Company on Internet.
j) To make available any such information and announcements, which may affect exercise of the shareholding rights, to the shareholders for their use on the Corporate Internet Site of the Company in an updated and current condition
k) To inform the İstanbul Stock Exchange (IMKB) of any necessary Special Condition Announcements via KAP (Public Information Platform) by also taking into consideration Communiqué Serial No VIII No 54 by SPK
l) To follow up on any changes and amendments to the legislation in connection with the Capital Market Council and bring them to the attention of the Company and relevant units

For this purpose, the unit officers who are assigned to ensure and maintain communication with the shareholders have been designated as follows.

Name & Surname	Task Position	Telephone	E-mail
Cihan Sırmatel	Financial Affairs Director	0212 350 35 92	csirmatel@sisecam.com
Ahmet Bayraktaroğlu	Financial Affairs Manager	0212 350 36 40	abayraktar@sisecam.com
Bala Zaimoğlu	Financial Performance & Budget Manager	0212 350 35 94	bzaimoglu@sisecam.com

The efforts which were carried out in the course of 2011 for the purpose of providing detailed information to the investors about the operations of Şişecam Community are summarized below.

- Participation was achieved in a total of 8 conferences, of which 3 were local and 5, overseas, in the course of 2011.
- Negotiations were held with a total of 130 funds and 190 meetings were held including the sessions at the conferences.
- Multiple negotiations were conducted with some funds in the course of the year.
- Questions raised by the investors in the course of the year were replied by telephone and e-mail.
- A total of 41 meetings were held with the analysts, which prepared reports on Şişecam and group companies.

In addition, the questions by the investors forwarded by e-mail via the Investor Relations Communication Form, which is available under the title, "Investor Relations – How Can We Help You?" on the Corporate Internet Site of the Company were expediently replied.

1.2 Right to Have Access to and Review Information

There is no discrimination among the shareholders over the exercise of their right to have access to and review information. Each and every shareholder has the right to have access to and review information. There are no regulations in the Articles of Incorporation, which restrict the right to have access to information. The Company Corporate Internet Site is actively used for the purpose of expanding the right of the shareholders to have access to information and enabling them to exercise their right more soundly subject to the legislation in force. Accordingly, the Corporate Internet Site of the Company contains such information and data which are prescribed by the Corporate Management Principles as well as by the regulatory authorities. As part of the efforts to provide information and keeping the public adequately informed, the following are covered by the Corporate Internet Site in Turkish: products, annual and interim operating reports, shareholding composition, report on compliance by the corporate management, Company Articles of Incorporation, information on the current status of trade registry records and registrations, Particular Condition Disclosures, agendas of the General Assembly meetings, minutes of the General Assembly meetings, schedules of participants in the General Assembly meetings, form on voting by proxy, explanations and circular on public offering, ethical rules, Information Policy and public announcements on mergers and divisions whilst the Operating Reports are also published in English. Utmost care has been paid in order to ensure that the Corporate Internet Site is maintained current and up to date regularly. The right of the minority shareholders to require the General Assembly to appoint a particular auditor has been regulated by the statutory legislation in connection therewith. The shareholders, which hold minimum one tenth of the capital, are entitled to require appointment of a particular auditor to audit such circumstances as set forth by law. The Articles of Incorporation of our Company does not contain any stipulation in connection with appointment of a particular auditor and there were no requests for appointment of a particular auditor in the period.

1.3 Right to Participate in the General Assembly

Public notices on any General Assembly meetings are issued minimum three weeks prior to the date of the respective General Assembly meetings through any available communication media including electronic communication in addition to the methods of communication set forth by legislation, which would ensure access to the largest possible number of shareholders.

On the Corporate Internet Site of the Company, the following issues are communicated to the shareholders in such a manner and to such an extent ensuring that proper and due attention is drawn thereto along with the General Assembly public notice in addition to the notices and explanations required to be served and provided as required by legislation.

a) Total number of shares and voting rights which reflect the shareholding composition of the Company as at the date on which explanation is to be made as well as number of shares and voting rights representing each group of privileged shares in cases where the Company capital contains any privileged shares

b) Changes to the management and operations already taken place in the previous accounting period or planned in the next accounting period, which would materially affect the operations of the Company

c) Justification for dismissal and replacement in cases where the agenda of the General Assembly meetings involve dismissal, replacement or election of any members of the Board of Directors and information on the persons, who would be nominated to the posts of members of the Board of Directors

d) Requests by the shareholders, Capital Market Council (SPK) and / or any other public agencies and entities with which the Company is associated for inclusion of any items on the agenda

e) Former and new versions of any amendments to the Articles of Incorporation along with the relevant Board of Directors resolutions thereof in cases where the agenda contains any proposed amendments

1. (c) In connection with fulfillment of the obligation referred to by paragraph (c), the CV's of the persons to be nominated to the posts of members of the Board of Directors and information on the positions held by them in the last ten years and reasons for resignation, nature and significance level of their relationships with the Company and affiliated parties of the Company, whether they actually meet the qualities of impartiality sought in connection therewith and any other issues, which might affect the operations of the Company in case such persons would be elected members of the Board of Directors, is disclosed to the public by the Company no later than 1 week from the date on which the public notice on the General Assembly meeting is communicated.

As the agenda of the General Assembly is prepared, particular care is paid to ensure that each proposal is covered under an individual heading and to that end, the agenda headings are expressed in such a manner and to such an extent ensuring that they would be fully clear, not leading to any different interpretations in connection therewith. Also, care is exerted not to include any phrases such as “other” or “miscellaneous” on the agenda.

As the agenda of the General Assembly is prepared, any issues communicated by the shareholders to the Unit for Relations With the Shareholders in writing and required by them to be included on the agenda are given due and proper regard by the Board of Directors. There were no such requests in the period. Maximum care is diligently paid to ensure that any General Assembly meetings are convened and held in such a manner and to such an extent ensuring that there would be no inequality among the shareholders and that participation by the shareholders would be at minimum cost for the purpose of increasing participation by the shareholders. For this purpose, the times for the General Assembly meetings are set by also taking into consideration traffic, transport convenience and any other similar environmental factors and General Assemblies are held at such times when traffic is not intensive. Care is particularly paid to the issue of presentation of any subjects included on the agenda at the General Assembly meetings in a detailed manner by a clear and comprehensible method and the shareholders are provided with ample opportunities to offer comments, seek clarification and ask questions under equal conditions. Any questions raised by the shareholders, which do not fall in the scope of trade secrets, are directly replied at the General Assembly meetings. In cases where any questions are not relevant to the agenda or of such a scope not allowing an immediate reply, such questions are replied by the Unit for Relations With the Shareholders in writing in maximum 30 business days.

Information is provided to the General Assembly on any transactions, if any, conducted pursuant to the authorization received by the members of the Board of Directors in order to be able to achieve businesses falling in the operating fields of the Company in the previous General Assembly pursuant to Articles 334 and 335 of the Turkish Commercial Code (TTK).

Presence of the members of the Board of Directors, other relevant persons, officers having responsibility for preparation of the Financial Sheets and auditors is ensured in the General Assembly meetings to provide necessary information and reply questions in connection with any issues of particular interest on the agenda.

The public is properly informed through an announcement via the KAP (Public Information Platform) on the very date when the Board of Directors adopts a resolution to convene the General Assembly. In addition, the General Assembly documentation is brought to the attention of the shareholders on the Corporate Internet Site of the Company for the purpose of providing them with information on the General Assembly public notice texts and agenda items.

It is required as per SPK stipulations that the Financial Sheets are publicly disclosed no later than 14 weeks from the end of the respective accounting period. And the Company publicly discloses its Financial Sheets in a shorter period. The financial reports for the Year 2011 have been disclosed in a period of about 10 weeks.

Public disclosure is duly made subject to legislation whenever there is a significant change to the management and operating organization of the Company. In addition, works have already been initiated with regard to necessary amendments to be made to the Articles of Incorporation prior to the Ordinary General Assembly meeting scheduled for 2012 in view of the Principle concerning transactions of significant nature as part of SPK Corporate Management Principles.

For this purpose, the issue in connection with acquisition by our Company of the Co-Generation Power Plant Operation, which is included in the assets of Camiş Elektrik Üretimi A.Ş. one of the Affiliates of our Company, through “partial split” under the provisions of Articles 19 and 20 of the Corporate Tax Law, Capital Market Law, Articles 303 and 396 of the Turkish Commercial Code (TTK) and the “Communique on the Regulation of the Procedures and Principles for Operations for Partial Split of Joint Stock and Limited Liability Companies” published by the Finance Ministry and Ministry of Trade and Industry has been approved by the Capital Market Council (SPK) at its Meeting No 6/180 of February 23, 2012. Information is provided to the General Assembly on any donations and assistance provided to the foundations and associations for social assistance purposes under an individual agenda item. The General Assembly meetings are held open to the public including any interest holders and members of media without a right to speak. The General Assembly minutes are published on the Corporate Internet Site of the Company and additionally, these minutes are made available for review by the shareholders at the head office of the Company.

In the period, the Ordinary General Assembly meeting was held with a quorum of 85.05 per cent on April 08, 2011 as the Extraordinary General Assembly meeting, which was held on November 04, 2011, and Ordinary General Assembly meeting, which was held on March 28, 2012, convened with quorums of 85.05 per cent and 85.26 per cent, respectively.

The public notices and announcements made in connection with the General Assembly meetings note:

- The General Assembly agenda, meeting venue, date and time and form of power of attorney and principles for issue of power of attorney for those shareholders, who intend to have representation in the General Assembly meetings by a proxy
- That the Financial Sheets, Independent External Audit Company Reports, Profit Distribution Proposal by the Board of Directors and former and new versions of the text of amendment in case of any amendment to the Articles of Incorporation including Annual Operating Reports would be made available for review by the shareholders at the head office of the Company and on the Corporate Internet Site of the Company minimum three weeks prior to the General Assembly meeting date
- That such shareholders, which will not be able to attend the meeting in person, are required to obtain

the specimen form of power of attorney from the Corporate Internet Site of the Company and meet the issues, which are set forth by Communique Serial No IV No 8 by the Capital Market Council (SPK), submitting their powers of attorney as certified by a Notary Public
- That it is compulsory for our shareholders intending to participate in the General Assembly meetings as far as such shareholders whose shares are deposited in the investor accounts with the brokerage companies before the Central Registration Authority (MKK) to have registration with the Blockage List in the Central Registration Authority (MKK) in strict compliance with the regulations of the Central Registration Authority (MKK) and that it is not possible for any shareholders not included in the Blockage List to participate in the meetings and
- That any applications to the General Assembly for participation may only be considered upon registration of their shares and that such shareholders which have physical possession of their shares must apply to Camiş Menkul Kıymetler AŞ. which handles registration operations for the Company, for registration of their shares.

1.4 Voting Right

Any practices, which would make it harder for voting rights to be exercised in the General Assembly meetings, are strictly avoided and each shareholder is provided with opportunities including cross border methods to cast their votes appropriately.

There is no privilege in the Articles of Incorporation of the Company as regards exercise of voting rights. Each share grants its holder one voting right pursuant to the Articles of Incorporation of the Company. In cases where mutual affiliation relationship inherently involves a relationship of control, such companies having such mutual affiliation may not exercise their voting rights in the General Assemblies of the Company with which they currently have mutual affiliation relationships unless extremely essential circumstances shall arise in connection therewith.

Our shareholders may directly exercise their respective voting rights in the General Assembly meetings in person and at the same time, they may also cause such rights to be exercised by a third person whether he or she is a shareholder. Each shareholder who is a natural person may be represented by only one person in the General Assembly. In cases where the shareholders which are legal entities are represented by multiple persons, votes may then be cast by only one of such persons. The person, who is entitled to cast votes, is identified by the certificate of authorization duly.

1.5 Minority Shares

Minority shares are not represented in management. The method of accumulated votes is not currently incorporated into the Articles of Incorporation and there were no criticism or complaints reaching the company regarding these issues in 2011.

1.6 Entitlement to Profit Dividend

A balanced and consistent policy has been adopted between the interests of the shareholders and interests of the Company as regards profit distribution in strict compliance with the Corporate Management Principles and this policy was publicly disclosed on March 23, 2007.

Accordingly:

The Articles of Incorporation of the Company has adopted the principle of distribution of first dividend from distributable profit at such a rate and in such an amount as determined by the Capital Market Council (SPK).

Any profit distribution proposals, which are submitted by our Board of Directors to our General Assembly, are prepared subject to a Profit Distribution Policy, which has due regard to:

a) Efforts not to upset the sensitive balance between the expectations of our shareholders and the need for the growth of the Company and

b) Profitability condition of our Company.

Our Board of Directors has adopted a Profit Distribution Policy, which is based on the principle that the Board of Directors is entitled to propose to the General Assembly distribution of profit meeting the minimum profit distribution rate set by the Capital Market Council (SPK) through free shares and / or in cash.

There are no privileged shares as regards receipt of dividends. No practice is currently in place regarding distribution of profit to the members of the Board of Directors and employees under the incorporators certificate of usufruct as per our Articles of Incorporation.

Utmost care is diligently exerted to make dividend payments within their statutory time limits and the payment process is completed by the end of the 5th month that follows the accounting period in cases where it is agreed to distribute dividends in cash entirely or by the end of the 6th month in cases where it is agreed to distribute profit in the form of shares without consideration.

The Articles of Incorporation of the Company does not contain any stipulation prescribing extension of dividend advances. The Profit Distribution Policy is included in the Operating Report and also publicly communicated via the Corporate Internet Site of the Company.

The dividend distribution proposals by the Board of Directors, which are scheduled for submission to the General Assembly, are publicly communicated via KAP (Public Information Platform) minimum three weeks prior to the date of the relevant General Assembly meeting. In addition, they are further brought to the attention of the shareholders via the Corporate Internet Site of the Company. In cases where the Board of Directors does not propose any dividend distribution to the General Assembly, justification in connection therewith as well as information on the method of using the undistributed profit are provided to the shareholders at the General Assembly meetings.

1.7 Transfer of Shares

The Articles of Incorporation of the Company do not incorporate any specific practices, which would make it harder for the shareholders to transfer their shares, and any such provisions restricting the share transfers.

2.- PUBLIC DISCLOSURE AND TRANSPARENCY

2.1 Company Policy on Disclosure of İnformation

S"Communiqué on the Principles for Public Disclosure of Particular Conditions" bearing Serial No VIII No 54 by the Capital Market Council (SPK), which was published in Issue No 27133 of the Official Gazette dated February 6, 2009, has imposed an obligation on such Subsidiaries, the shares of which are listed in the stock exchange, to develop their Information Policies for public information and communicate them publicly via their Company Internet Sites.

The "Disclosure Policy", which was developed and approved by our Board of Directors at its meeting bearing No 10 and dated April 02, 2012, has been made public under the part, "Investor Relations", which is available on the Corporate Internet Site of the Company.

Apart from the issues, which are determined as per legislation, the Information Policy covers specific types of information to be disclosed to the public, methods, frequencies and channels of publicly disclosing such information, frequency of interviews to be provided by the Board of Directors or managers to press, frequency of meetings to be held to provide information to the public and method to be followed in replying any questions directed to the Company and so on.

Any information subject to public disclosure is publicly communicated via the KAP (Public Information Platform) (www.kap.gov.tr) or on the Corporate Internet Site of the Company in such a manner and to such an extent ensuring that it would be helpful to the persons or entities, which would benefit such disclosure, on a timely basis, completely, comprehensibly and allowing interpretation as well as at affordable cost of access thereto.

In cases where any future related information is publicly disclosed, assumptions thereof and data on which such assumptions are based are also disclosed properly. This information disclosed are free and clear of any baseless, exaggerated and misleading projections. In cases where any forecasts and basis thereof in the information related to the future, which is publicly disclosed, do not realize or it is understood that the same would not come true, updated information is immediately disclosed to the public along with justification in connection therewith. The principles for public disclosure of any future related information are incorporated into the Information Policy.

At present, Financial Affairs Director Cihan Sırmatel, Financial Performance and Budget Manager Melek Bala Zaimoğlu, Financial Affairs Manager Ahmet Bayraktaroğlu and Accounting Chiefs Ayşe Arzu Beler and Gül Demirhan are authorized to ensure communication and coordination in connection with the stock exchange.

2.2 Internet site of the Company and its Contents

The Company actively uses the Corporate Internet Site of the Company as prescribed by SPK Corporate Management Principles for the purpose of maintaining its relationships with the shareholders more effectively and rapidly and having regular communication with the shareholders. The information, which is contained on this site, is regularly updated under the responsibility of the Unit for Relations With the Shareholders. The information given on the Corporate Internet Site of the Company has the same contents as those of the disclosures made subject to the provisions of the relevant legislation and therefore, any conflicting or incomplete information is not contained therein.

In addition to such information, which must be disclosed as per the applicable legislation, the Corporate Internet Site of the Company includes the following: Trade Registry information, latest shareholding and management composition, information as to whether there are any privileged shares, the current version of the Articles of Incorporation of the Company along with the dates and issue numbers of the Turkish Journal of Trade Registrations where such Articles of Incorporation and amendments thereto were issued, Particular Condition Disclosures, financial reports, Operating Reports, booklet of explanations and public offer circulars. Agendas of the General Assembly meetings, schedules of those in attendance and meeting minutes, form for power of attorney for voting by proxy, Profit Distribution Policy, Information Policy, Company Ethical Rules and replies to the frequently asked questions. Accordingly, the information on the Company for the last 5 years is available in the Corporate Internet Site of the Company. The Financial Reports and Operating Reports included on the Internet site are also offered in English so that international investors may benefit them.

Subsidiaries	TL	%
T. Şişe ve Cam Fabrikaları A.Ş.	179.815.219,49	70,77
Anadolu Cam Sanayi A.Ş.	36.189.875,02	14,24
Camiş Madencilik A.Ş.	97.020,13	0,04
Other	37.997.885,36	14,95
	254.100.000,00	**100,00**

The shareholding composition of the Company is as follows and there are no ultimate controlling shareholders having a legal entity among the Company shareholders.

2.3 Operating Reports

The Operating Reports by the Board of Directors are prepared in such details which would ensure that the public has access to complete and satisfactory information on the operations of the Company.

In addition to the issues, which are set forth by the legislation and Corporate Management Principles, Annual Operating Reports contain:

a) Information on such extra company tasks which are performed by the members of the Board of Directors as stated in their CV's

b) Information on the committee members of the Board of Directors committees as well as their meeting frequencies and tasks carried out in connection therewith

c) Information on the number of meetings of the Board of Directors in the course of the year and status of attendance by the Board of Directors in such meetings

d) Explanations on any major administrative sanctions and penalties imposed on the Company and members of the Board of Directors due to any practices contrary to the provisions of governing legislation, if any

e) Information on any amendments to legislation, which may materially affect the operations of the Company

f) Information on any legal proceedings instituted against the Company and their potential consequences and

g) Information on the corporate social responsibility activities concerning social benefits of the employees and their professional training as well as such Company operations resulting in any other social and environmental consequences.

"Communiqué on the Principles for Public Disclosure of Particular Conditions" bearing Serial No VIII No 54 by the Capital Market Council (SPK), which was published in Issue No 27133 of the Official Gazette dated February 6, 2009, has imposed an obligation for preparation of a list of the Company or such natural persons or legal entities acting for and behalf the Company and persons working for them under labor contracts or other them, who have regular access to the internal information. Accordingly, the "List of Persons Having Access to Internal Information" has been developed with effect from May 1, 2009. In addition, the persons included in the list have been briefed in writing for the purpose of ensuring their agreement to the obligations in the law and relevant legislation in connection with such information and their awareness on the sanctions for misuse or inappropriate distribution of such information. As the persons having administrative responsibility are identified, the respective tasks of such persons in the Company organization and contents of information accessible by these persons are taken as criteria.

Name Surname	Task Position
Sabahattin Günceler	President of the Board of Directors
Hilmi Selçuk Çepni	Vice President
Tahsin Burhan Ergene	Member of the Board of Directors
Aytaç Saniye Mutlugüller	Member of the Board of Directors
Candan Sevsevil Okay	Member of the Board of Directors
Gizep Sayın	Member of the Board of Directors
Zeynep Hansu Uçar	Member of the Board of Directors
Haşim Yeşilköy	Member of the Audit Board
Salim Zaimoğlu	Member of the Audit Board
Hidayet Özdemir	Vice President, Production
Cihan Sırmatel	Chemicals Group Financial Affairs Director
Kevser İnceler	Chemicals Group Planning Director
İmran Eroğul	Chemicals Group Human Resources Director
Mehmet Gürbüz	General Manager
Altuğ Rıfat Şener	Asistant General Manager, Production

For this purpose, Soda finance and financial department managers having access to information on all the aspects of Soda and holding powers to take administrative decisions on the Financial Reports, strategic targets and any other similar elements at a macro level as well as the members of the Board of Directors and members of the Audit Board, Group President and Directors and Deputy Presidents, who have detailed information on not only all the aspects of Soda and its current status but also its future plans have been identified as the persons having administrative responsibility and regular access to internal information. Accordingly, managers and other members of staff not having information at such a level which would affect the value of the capital market instrument and investment decisions of investors, in other words having information only on one part of the Company and their information being limited on a company wide basis are not treated as part of the scope for persons having administrative responsibility and access to internal information.

As also required by General Letter No 556 of June 9, 2011 by Central Registration Authority (MKK), titled: “New Practices for SPK Regulations”, the “List of Persons Having Access to Internal Information” was transferred to the Central Registration System (MKS) with effect from October 6, 2011 and any changes made in the lists are updated as at the date of action. As at the date of the report, there are a total of 52 persons under the List of Persons Having Access to Internal Information and the names and tasks of the Management members, members of the Board of Directors and Company top level managers included in the list are indicated below.

Notifications (letters of explanations, circulars, etc.) other than those specified above are signed and made public subject to the powers set forth in the Company specimens of signatures. In addition, they are also published on the Company Internet site.

3. INTEREST HOLDERS

3.1 Company Policy in Connection with the Interest Holders

Interest Holders refer to persons, entities or interest groups such as employees, creditors, customers, suppliers, trade unions and various Non-Governmental Organizations (NGO's), that are interested in the Company's attainment of its objectives or in its activities. The Company safeguards the rights of the Interest Holders in its operations and activities as regulated by legislation and bilateral contracts. To the extent that the rights of the Interest Holders are not protected by legislation and bilateral contracts, the interests of the Interest Holders are protected subject to the rules of good will and to the extent allowed by the means of the Company.

The Interest Holders are made aware of the Company policies and procedures in connection with protection of their rights. The Company has already established necessary mechanisms by which the Interest Holders may communicate any actions of the Company, which contravene legislation and ethics, to the Committee In Charge of Audit. In cases where conflicts of interest take place among the Interest Holders or a given Interest Holder is a part of multiple groups, a balanced policy is implemented in view of protection of such rights held to the maximum extent reasonably possible and it is thus aimed at protecting each right independently of any other rights.

3.2 Supporting participation by the Interest Holders in the Company management

Participation by the Interest Holders, particularly employees, in the Company management in such a manner and to such an extent ensuring that such participation would not interrupt the operations of the Company is actively supported and comments of the Interest Holders are consequently sought on any major decisions leading to consequences for the Interest Holders.

3.3 Human Resources Policy of the Company

Under the Human Resources Systems of the Company, Procedures and Principles have been developed as guidelines over recruitment, labor conditions, grading systems, wage management, monetary and social benefits, performance assessment, career management and termination of labor contracts. Relations with the employees of the Company are smoothly handled by the Human Resources Unit.

The principle of providing equal opportunity to persons in equal conditions has been adopted in development of the recruitment plans and preparation of career plans. No complaint was reported to the Company managers about discrimination in the period.

Fair treatment is in force as regards any benefits extended to the employees and training programs are organized to help the employees enhance their knowledge, skills and experience. Information meetings are held for the employees on the issues such as financial status of the Company, wages, career development opportunities, training and health care so that there is an exchange of information in connection therewith.

Any decisions taken in connection with the employees or any developments concerning the employees are communicated to the employees or their representatives. Also, comments are sought from the trade unions on such decisions.

The performance and reward criteria in connection with the task definitions and distributions of the employees are communicated to the employees directly and due consideration is given to efficiency in determination of wages and other benefits made available to the employees.

There is no discrimination against the employees in view of race, religion, language and sex and measures are effectively introduced to protect the employees against any physical, mental and emotional mistreatment in the Company.

3.4 Relations with the customers and suppliers

Our company successfully maintains its standing as an institution of trust always producing values for its shareholders, employees, customers, suppliers and society alike subject to its never changing values, "human orientation" and "institution of trust", in the first place. In this context, requirements of our customers and consumers are met by acting sensitively and responsibly in an effort to meet customer satisfaction over marketing and sales of goods and services. In addition, any significant events and developments as well as legal changes which concern our customers and suppliers are shared with our customers and suppliers via most expedient communication means. Furthermore, particular care is definitely paid to the confidentiality of information in connection with customers and suppliers under trade secret practices.

In addition, in 2011, our Company successfully passed:

- Interim surveillance supervisions for ISO 9001 Quality Management System at Soda and Kromsan Plants, ISO 22000 Food Safety Management System in connection with our refined bicarbonate product and GMP+Kocher and "Helal" Certificate and
- Surveillance supervisions for ISO 14001 Environmental Management System and OHSAS 18001 Labor Health and Safety Management System, which are both implemented as an "Integrated Management System".
- The "Product Certificate of Compliance" for our Soda and Chromium products has been renewed.
- Soda Sanayii A.Ş. has met its obligations under REACH Regulation, which is highly important for the European Union, in its position as a company having major exports to the EU involving both soda and chromium products.

3.5 Ethical Rules and Social Responsibility

3.5.1 Social Responsibility

As an entity being fully aware of its responsibility towards the laws and environmental values, our Company firmly believes in the need to pass a livable world to the younger generations. It pays due regard to this approach, which is perceived as one of the fundamental elements of strategic management, at every stage of its operations. It is our objective to ensure permanent improvement by carrying out the environment preservation efforts maintained by our company on the basis of the understanding of environmental management system and securing the support of all the employees.

The Tripartite Responsibility efforts, which are carried out by the global chemical industry as a voluntary practice, were successfully maintained in 2011 as well.

3.5.2 Ethical Rules (Code of Conduct)

"Şişecam Community Ethical Rules" (Code of Conduct), which has been drawn up subject to the general principles of honesty, transparency, confidentiality, impartiality and compliance with laws as per Resolution No 49 of 20.07.2010 by the Parent Company's Board of Directors has been put into effect and arrangements have been accordingly put into place, having the force of guidelines which will certainly provide guidance over the relationships of all the Community employees with customers, suppliers, shareholders and other stakeholders.

The general framework of the Ethical Rules (Code of Conduct), which has been publicly communicated on the Corporate Internet Site of the Company, is outlined below.

1. General Principles

- In Şişecam Community, action is strictly taken with honesty and integrity in any relationships with the employees, customers, suppliers, shareholders and any stakeholders.

- Şişecam Community is transparent and open to any stakeholders.
- No discrimination is made among the stakeholders due to reasons such as religion, language, race, sex, health condition, marital status and political faiths in Şişecam Community. Everybody is treated equally as any prejudiced behavior is strictly avoided.
- Particular care is duly paid to protection of any private information on the employees, customers and suppliers in Şişecam Community and such information is in no way allowed to be shared with ay third persons.
- Şişecam Community maintains any operations in strict compliance with laws. The Community closely follows up laws and regulations, taking necessary measures for compliance with laws.

2. Responsibilities

At the highest echelons, the Board of Directors and Committee In Charge of Audit are responsible for effective implementation of Şişecam Community Ethical Rules (Code of Conduct) on a Community wide basis. All the Community employees are obligated to act in strict compliance with Şişecam Community Ethical Rules (Code of Conduct).

3. Applications

1. In ŞİŞECAM Group; utmost attention is paid to efficient and productive use of Group resources and the principle of saving is taken into consideration. Group personnel use and protect the Group resources only for the good of Group.
2. Utmost attention is paid to the protection of all kinds of non-public information. Regulations and procedures related to the security of information belonging to the Group are thoroughly applied and precautions required to carefully store and archive this information and for non disclosure thereof are adopted.
3. In Şişecam Group, the personnel observe Group interests within the framework of legal and in-Group regulations and pay attention to keep away from conflicts of interest, in the tasks they perform.
4. In Şişecam Group, gifts exceeding a reasonable extent from customers, suppliers and other institutions are not accepted. However, gifts having a symbolic value such as a plaques and shields, granted at the meetings or seminars attended to represent the Group can be accepted.
5. In case business relationships with family members, close relatives and friends are required to be established by the Şişecam Group personnel, occurrence of conflict of interests is not allowed.
6. In Şişecam Group, rules of respect, equality, courtesy and justice are regarded in relationships with customers and suppliers and laws and code of conduct are followed at utmost level. No misleading and dishonest manners are adopted against customers and consumers.
7. In Şişecam Group, rules of the honesty and sincerity in competitiveness are always closely followed in all the countries where activities are carried out.
8. The relations of Şişecam Group with official bodies are always transparent and explicit. Any kind of information and document requested by the official bodies are provided correctly, fully and timely, any act to deceive and mislead the official bodies are never tolerated or allowed.

4. Compliance with code of Conduct of Sisecam Group

Employees of Group show the maximum care to comply with Code of Conduct of Şişecam Group. It is observed that Code of Conduct is obeyed in Group Activities by means of effective communication.

4. BOARD OF DIRECTORS

4.1 Function of the Board of Directors

The Board of Directors administers and represents the Company by safeguarding the long term interests of the Company first of all through an understanding of logical and cautious risk management and by keeping the Company balance of risk, growth and revenue thanks to strategic decisions to be taken by the Board.

The Board of Directors defines the strategic targets of the Company, determines the human and financial resources to be required by the Company and supervises the performance of the management; the Board of Directors conducts surveillance on the compliance of the operations of the Company with the Articles of Incorporation, internal regulations and policies developed in connection therewith.

4.2 Operating Principles of the Board of Directors

The Board of Directors conducts its operations in a transparent, accountable, equitable and responsible manner. A President and a Deputy President are elected from among the members of the Board of Directors. In addition, Presidents and Members are also elected to serve on the committees operating as part of the Board of Directors. The Board of Directors develops the internal control systems in such a manner also incorporating such risk management and information systems and processes relevant thereto, which would minimize the effects of any risks which might affect the Interest Holders of the Company, particularly shareholders. The Board of Directors reviews the effectiveness of the risk management and internal control systems minimum once a year. Information is provided by the Operating Report on the existence, operation and effectiveness of internal controls and internal audit. The risk management and internal audit activities of the Company are coordinated by the Risk Management and Internal Audit Directorates within the Risk Management and Internal Audit Department which operates under the Board of Directors of the Parent Company. The Risk Management Directorate pursues the objective of identifying, prioritizing and measuring any current and potential risks exposed to during the operations of the Community, taking necessary measures developing effective control mechanisms in connection therewith.

In order to render the risk management effective on a Community wide basis, "Şişecam Community Risk Management Regulation" and "Risk Policies" were put into implementation in 2007 and in line with this regulation and policies, the risks which are included in the Risk Catalogue have been prioritized according to their effects and severity and detailed analysis works conducted with respect to the prioritized risks. The works which are conducted as regards risk management and control are presently maintained.

The compliance of the operations of the Company and its subsidiaries with laws, their Articles of Incorporation and Company internal regulations and procedures is periodically inspected by the supervisory staff of the Internal Audit Directorate and findings thereof are reported to the Board of Directors.

The powers and responsibilities of the members of the Board of Directors are clearly provided by the Articles of Incorporation.

The powers are specified by the Company specimens of signatures in more detail. These documents have been registered and made public as prescribed by laws. The Board of Directors takes a leading role in the preservation of effective communication between the Company and shareholders and elimination and settlement of any disagreement that may be experienced in connection therewith and it maintains close cooperation with the Unit for Relations With the Shareholders for this purpose.

4.3 Composition of the Board of Directors

According to the Articles of Incorporation, Company businesses are conducted by a Board of Directors which comprises maximum nine members elected from among the shareholders subject to the provisions of the Turkish Commercial Code (TTK) pursuant a General Assembly resolution to that end. The Board of

Directors does not include no such members meeting the criteria of impartiality, which are set forth by SPK Corporate Management Principles, in 2011. By making an amendment to the Articles of Incorporation in the Ordinary General Assembly meeting to be held in 2012, election of impartial members meeting the criteria, which are set forth by SPK Corporate Management Principles, will be made. Because there is currently no “Nomination Committee” functioning within the present Board of Directors, the nominees for impartial members have been identified as per the principles laid down in the Capital Market Council (SPK) Corporate Management Principles and submitted to the Board of Directors for approval. The list of nominees as impartial members of the Board of Directors has been submitted to the Capital Market Council (SPK) for approval. In addition, the condition for minimum 5 members on the Board of Directors in any case will be introduced under the amendment to the Articles of Incorporation, which will be submitted to the Ordinary General Assembly meeting to be held in 2012.

The Board of Directors are identified in such a manner and to such an extent ensuring that they may conduct efficient and constructive works, adopt rapid and rational resolutions and organize the establishment and works of the committees effectively. The Board of Directors includes members who are or are not responsible for execution. A member of the Board of Directors, who is not involved in execution, namely a non-executive member, refers to a person, who does not hold any administrative positions in the Company other than his or her position as a member of the Board of Directors and intervene in the daily business flow and ordinary operations of the Company. The majority of the members of the Board of Directors comprise non-executive members.

Chemicals Group President Sabahattin Günceler and Marketing and Sales Deputy President Tahsin Burhan Ergene serve on the Board of Directors as executive members.

The President of the Board of Directors and Deputy President of the Board of Directors are identified by adopting a resolution on the task allocation following the General Assembly meetings in which the members of the Board of Directors are elected. The Board of Directors of the Company comprises 2 executive members and 5 non-executive members whose names are provided below.

Name & Surname	**Position**
Sabahattin Günceler(*)	President
Hilmi Selçuk Çepni	Vice President
Tahsin Burhan Ergene(*)	Member
Aytaç Saniye Mutlugüller(**)	Member
Candan Sevsevil Okay	Member
Gizep Sayın	Member
Zeynep Hansu Uçar(**)	Member

(*) Member in charge at the Executive Board
(**) Member of the Supervisory Board

Approval is obtained from the General Assembly for eligibility for engagement by the President and members of the Board of Directors in businesses falling in the operating fields of the Company directly or on behalf of others and having shares in companies engaged in such businesses under Articles 334 and 335 of the Turkish Commercial Code (TTK).

In 2011, the members of the Board of Directors were elected to represent certain shareholders and members of the Board of Directors may freely communicate and express their comments in such a manner free of any influence.

Aytaç Saniye Mutlugiller, Candan Sevsevil Okay and Zeynep Hansu Uçar serve on the Board of Directors in strict compliance with the Corporate Management Principles.

4.4 Method of Board of Directors meetings

As stipulated by the Articles of Incorporation of the Company, the Board of Directors convenes as frequently as required by the Company businesses and transactions. However, it is obligatory for the Board of Directors to convene minimum once a month. In cases where the President is not available, the Deputy President presides over the Board of Directors. In the event that the Deputy President is also absent, then, a temporary president to be elected from among the members presides over the Board of Directors. The date and agenda of the Board of Directors meetings are set by the President. In cases where the President is not present, this function is met by the Deputy President. However, the date of a meeting may also be set as per a resolution of the Board of Directors.

Any information and documents in connection with the subjects included on the agenda of a Board of Directors meeting are made available for review by the members of the Board of Directors in adequate time before the meeting by ensuring equal information flow. Any members of the Board of Directors may propose changes in the agenda to the President prior to a meeting. The comments of any member unable to attend a meeting, who submits his or her comments to the Board of Directors in writing, are provided to other members for information. In the Board of Directors, each member is entitled to one voting right.

The secretariat function of the Board of Directors is smoothly performed by the assigned Company staff in strict compliance with the principles, which are laid down by the Corporate Management Principles.

Any subjects included on the agendas of the Board of Directors meetings are openly discussed in any aspects. The President of the Board of Directors exerts his or her best efforts to secure effective participation of the non-executive members in the Board of Directors meetings. Reasonable and opposing comments as justification for the opposing votes by any members in the Board of Directors meetings are duly taken down in the minutes of resolution. However, no public disclosure was made in connection therewith because no such opposition or comments were stated in the Board of Directors meetings, which were held in 2011. The Board of Directors meetings are held in the Company head office and any significant Board of Directors resolutions are publicly communicated via KAP (Public Information Platform), with the texts thereof made public being further published on the Corporate Internet Site of the Company.

The amendment to the Articles of Incorporation will be submitted to the Ordinary General Assembly meeting to be held in the first half of 2012 for the regulation on the transactions with Affiliated Parties and provision of guarantees, pledges and mortgages in favor of third persons in Article 4.4.7 of the Capital Market Council (SPK) Corporate Management Principles.

The Company presently has a number of Subsidiaries and Affiliates. Because it is considered that involvement of the members of the Board of Directors of the Company in the management of these companies will be in the best interest of the Community, they have not been restrained from assuming these tasks outside the Company.

The amendment to the Articles of Incorporation in connection with incorporation of Board of Directors meetings and quorum thereof into the Articles of Incorporation will be submitted to the Ordinary General Assembly meeting to be held in the first half of 2012.

4.5. Committees set up under the Board of Directors

The "Committee In Charge of Audit" has been set up for the purpose of helping the Board of Directors meet its tasks and responsibilities soundly. Aytaç Saniye Mutlugüller and Zeynep Hansu Uçar were elected by the Board of Directors as Committee members In Charge of Audit for 2011.

The Committee In Charge of Audit regularly performs its activities in strict compliance with the principles which are laid down by the Capital Market Legislation and Corporate Management Principles. The members serving on this committee do not meet the qualifications for impartial members.

Because there is no "Nomination Committee" under the Board of Directors, determination of impartial members of the Board of Directors in implementation of Principle No 4.3.8 of the Corporate Management Principles has been met by the present Committee In Charge of Audit, which has been set up subject to Communiqué Serial: X No: 22 by the Capital Market Council (SPK) on the Independent Audit Standards in the Capital Market.

The compulsory principles, which are prescribed by Article 4.5 of the Corporate Management Principles, will be applied for the committees to be set up following the Ordinary General Assembly meeting to be held in the first half of 2012.

4.6 Financial Rights Provided to the members of the Board of Directors and Top Level Managers

Financial Rights Provided to the members of the Board of Directors and Top Level Managers as well as any rights, benefits and remuneration granted to the members of the Board of Directors are determined by the General Assembly annually as stipulated by our Articles of Incorporation. The monthly remunerations to be paid to the members of the Board of Directors were determined in the Ordinary General Assembly meeting for the Year 2010, which was held on April 8, 2011, and subsequently made public.

The Company does not make any payments which may be considered premium in the technical sense, which is directly indexed to the turnover, profitability or other basic indicators. In addition to payments in cash such as salaries, bonuses and social assistance / benefits, payment under the title, gestural bonus, which is determined by the Board of Directors by considering a number of criteria such as the operating volume of the Company, nature and riskiness of the Company operations, size of the organization directed and administered and industries of operation, is made to the top level managers of the Company once a year subject to increase or no increase on a case by case basis and depending on the situation by taking into account the indicators such as inflation, overall wages and Company profitability. In addition, Company owned cars are allocated to the Company top level managers for use as part of their business activities as a non-cash benefit. For this purpose, a total sum of TL (326,200 + 1,573,397 = 1,899,597) which comprise TL 326,200 and TL 1,573,397 for 7 members of the Board of Directors and 8 top level managers, respectively, was paid in 2011.

No loans and credit are extended to the members of the Board of Directors and managers and also, no loan drawings under the title, individual loans, through a third person are allowed or no guarantees such as securities in their favor are provided.

AGENDA OF SODA SANAYİİ A.Ş .
SHAREHOLDERS' ORDINARY GENERAL ASSEMBLY FOR THE YEAR 2011

1. Election of the Chairman's Board and granting authorization to the Chairman's Board to sign the minutes of the General Assembly
2. Reading out the Management and Audit Board Reports and Independent Auditor's Report on the operations of our Company for the Year 2011
3. Review, deliberation and approval of the Balance Sheets and Revenue Sheet Accounts for the Year 2011
4. Adoption of a resolution on the method and date of the profit distribution for the Year 2011
5. Release of the members of the Board of Directors and Audit Board
6. Election of the members of the Board of Directors
7. Election of the members of the Audit Board
8. Determination of the remunerations of the Board of Directors
9. Determination of the remunerations of the Audit Board
10. Granting authorizations to the members of the Board of Directors as per Articles 334 and 335 of the Turkish Commercial Code (TTK)
11. Adoption of a resolution on the amendment of the Articles of Incorporation as stated by the annexed Proposed Amendment
12. Provision of information to the shareholders on the "Wages Policy" for the members of the Board of Directors and top level managers as per the Corporate Management Principles
13. Provision of information to the shareholders on the Transactions with the Affiliated Parties, which are extensive and permanent, under the regulations of the Capital Market Council (SPK)
14. Provision of information to the shareholders on the "Profit Distribution Policy" of the Company for the Year 2012 and following years as per the Corporate Management Principles
15. Provision of information to the shareholders on the "Company Information Policy" as per the Corporate Management Principles
16. Provision of information to the shareholders on the donations made in the course of the year
17. Provision of information to the shareholders on the guarantees, pledges and mortgages provided in favor of third persons.

24.05.2012   Time: 14:00

Venue: İş Kuleleri Kule 3 34330 4. Levent Beşiktaş / İstanbul

Text of the Proposed Amendment to the

Articles of Incorporation of Soda Sanayii A.Ş.

Former Version	New Version
BOARD OF DIRECTORS:	**BOARD OF DIRECTORS:**
Article 8	**Article 8**
The businesses and administration of the Company are conducted by a Board of Directors, which comprises minimum 3 members and maximum 11 members elected from among the shareholders as per the provisions of the Turkish Commercial Code (TTK).	The businesses and administration of the Company are conducted by a Board of Directors, which comprises minimum 5 members elected from among the shareholders as per the provisions of the Turkish Commercial Code (TTK) and regulations of the Capital Market Council (SPK). The number and qualifications of the independent / impartial members who will serve on the Board of Directors are determined as per the regulations of the Capital Market Council (SPK) with regard to corporate management.
TERM IN OFFICE OF THE BOARD OF DIRECTORS	**TERM IN OFFICE AND ELECTION OF THE BOARD OF DIRECTORS**
Article 9	**Article 9**
The members of the Board of Directors are elected for a term of maximum three years. Any members whose term in office expires may be elected again. In cases where the post of any member of the Board of Directors falls vacant for any reasons whatsoever, then, the Board of Directors elects a new member as replacement for the vacant post of membership. Election of a member is submitted to the Board of Directors for approval. Upon approval by the General Assembly, this member completes the term of the former member. The General Assembly may replace any members of the Board of Directors from time to time and at any time when it deems necessary.	The members of the Board of Directors are elected for a term of maximum 3 (three) years. In cases where the post of any member of the Board of Directors falls vacant or an independent / impartial member of the Board of Directors loses his or her independence, then, appointment is made in strict compliance with the provisions of the Turkish Commercial Code (TTK) and Capital Market Council (SPK) regulations and subsequently submitted to the first General Assembly for approval. Any members whose term in office expires may be elected again. The General Assembly may replace the members of the Board of Directors in part or in whole regardless of their terms in office from time to time and at any time whenever it deems necessary.
QUORUM	**QUORUM**
Article 23	**Article 23**
Any General Assembly meetings and quorum in such meetings are subject to the provisions of the Turkish Commercial Code (TTK). However, the provisions of Law No 2499 on the Capital Market as amended by Law No 4487 in connection with the General Assembly meetings quorum are reserved.	Any General Assembly meetings and quorum in such meetings are subject to the provisions of the Turkish Commercial Code (TTK) and Capital Market Council (SPK) regulations.
PUBLIC NOTICES:	**PUBLIC NOTICES:**
Article 26	**Article 26**
They are announced in a newspaper published in the location where the Company head office is situation minimum 15 days in advance provided however that the provisions of sub-clause 4 of Article 37 of the Turkish Commercial Code (TTK) are reserved. However, public notices regarding invitation of the General Assembly to a meeting must be announced minimum two weeks in advance excluding the days of public notice and meeting subject to the provisions of Article 368 of the Turkish Commercial Code (TTK).	Any public notices regarding the Company announced in the Turkish Journal of Trade Registrations on Internet sites in strict compliance with the regulations of the Capital Market Council (SPK) provided however that the provisions of Article 37 of the Turkish Commercial Code (TTK) are reserved.However, public notices regarding invitation of the General Assembly to a meeting must be announced minimum three weeks in advance excluding the days of public notice and meeting subject to the provisions of Article 368 of the Turkish Commercial Code (TTK) and regulations of the Capital Market Council (SPK).
	COMPLIANCE WITH THE CORPORATE MANAGEMENT PRINCIPLES
	Article 35
	The Corporate Management Principles, the compliance of which is required by the Capital Market Council (SPK), are complied with. Any transactions conducted and any Board of Directors resolutions adopted without compliance with the compulsory principles are null and void and considered contrary to the Articles of Incorporation. The Capital Market Council (SPK) regulations regarding corporate management are complied with in any transactions which are considered material in view of the implementation of the Corporate Management Principles and any transactions of the Company with any Affiliated Parties as well as in such operations for institution of guarantees, pledges and mortgages in favor of third persons.
The Turkish Commercial Code (TTK), Capital Market Law and regulations of the Trade Ministry and Capital Market Council (SPK) are observed in connection with public notices.	The Turkish Commercial Code (TTK), Capital Market Law and regulations of the Trade Ministry and Capital Market Council (SPK) are observed in connection with public notices.

CONTACT DETAİLS

Management & Sales Center
İş Kuleleri Kule - 3 34330 4. Levent -
Beşiktaş / İSTANBUL / TURKEY
Tel : (0212) 350 50 50
Faks : (0212) 350 58 60
www.sodakrom.com

Soda Factory
Kazanlı Bucağı Yanı P.K. 654
33004 MERSİN / TURKEY
Tel : (0324) 241 66 00
Faks : (0324) 221 90 15

Kromsan Chromium Compaunds Factory
Kazanlı Bucağı Yanı P.K. 421
33003 MERSİN / TURKEY
Tel : (0324) 241 66 00
Faks : (0324) 451 36 52

SODA SANAYİİ A.Ş.
ŞİŞECAM Subsidiary.

www.sodakrom.com