SODA SANAYİİ A.Ş.

2014 ANNUAL REPORT

ŞİŞECAM

CONTENTS

SODA SANAYİİ IN BRIEF

The fundamental operations of the Chemicals Business, one of the four business segments of the Şişecam Group, are carried out by Soda Sanayii, which was founded in 1969 to produce soda, one of the main raw materials of the glass industry. The chemicals manufactured at the Mersin Soda Plant and at the Kromsan Chromium Compounds Plant, which joined the Group in 1982, are used as the main input for more than 100 products, ranging from detergents to leather, from products of chemical industry to pharmaceutical industry.

The Company became a partner of the privatized Bulgarian soda ash producer Sodi in 1997 through a joint venture with Solvay (Belgium) and EBRD, which then would leave the partnership, and raised its share to 25% in subsequent years.

In 2005, Soda Sanayii established a joint venture with Cromital, an Italian company producing chromium chemicals, and acquired the remaining shares in 2011 to become the outright owner of Cromital. In 2006, the Company acquired the Lukavac Soda Plant, a soda ash production facility in Bosnia and Herzegovina.

Achieving a production volume of almost 2.1 million tons of soda products at its Mersin and Bosnia plants and in Bulgaria at the Solvay Sodi plant through its joint venture, the Company is now the 4th largest producer in Europe and number 10 in the world. With regard to chromium chemicals, through the Kromsan Chromium Compounds Plant and Cromital SpA in Italy, the Group holds a strong position in the global market as the world's largest producer of sodium dichromate and basic chromium sulfate. It is also the world's 4th largest producer of chromic acid.

Currently, in addition to soda ash and chromium chemicals, the Group also produces electricity, Vitamin K3 derivatives and sodium metabisulphite, and carries out its activities in 5 countries. Soda Sanayii successfully implements environment, health, and work safety management systems under the "Responsible Care Commitment", a volunteer practice specific to the chemical industry. Adopting a responsible approach, the Company continuously invests in the field of environment and meets its own energy requirements through its energy generation station, as well as realizing an electricity sales volume of 1.9 billion kWh per year.

FINANCIAL INDICATORS

Summary Consolidated Balance Sheet	2013		2014	
	Mio TRY	Mio USD	Mio TRY	Mio USD
Current Assets	800	375	1,111	479
Non-Current Assets	980	459	1,010	436
Total Assets	1,780	834	2,121	915
Short-Term Liabilities	288	135	305	132
Long-Term Liabilities	256	120	249	107
Equity	1,236	579	1,567	676
Total Liabilities	1,780	834	2,121	915

Summary Consolidated Income Statement	2013		2014	
	Mio TRY	Mio USD	Mio TRY	Mio USD
Revenue	1,404	738	1,607	735
Cost of Sales	(1,115)	(586)	(1,209)	(553)
Gross Profit	288	152	397	182
Operating Expenses	(119)	(63)	(138)	(63)
Other Operating Income and Expenses	30	16	12	6
Profit/Loss from investments Valued Equity Method	37	19	58	27
Operating Income/Loss	236	124	329	151
Investment Income and Expenses	1	1	94	43
Operating Profit Before Financial Expenses	237	125	423	194
Financial Income (Expense) (Net)	4	2	21	10
Profit Before Tax from Continuing Operations	241	127	444	203
Taxes Related to Continuing Operations	(33)	(17)	(57)	(26)
Current Tax Income/(Expense)	(38)	(20)	(61)	(28)
Deferred Tax Expense	5	3	4	2
Net Profit of the Period	208	109	388	177
Distribution of Net Profit				
Non-Controlling Interests	2	1	3	1
Shereholders' Equity	206	108	384	176
Earnings Before Interest and Taxes (EBIT) (*)	237	125	423	194
Depreciation	88	46	93	42
Earnings Before Interest, Taxes Depreciation and Amortization (EBITDA) (*)	326	171	516	236
Net Cash from Operations	19	10	450	206
Net Financial Liabilities (**)	(34)	(16)	(341)	(147)

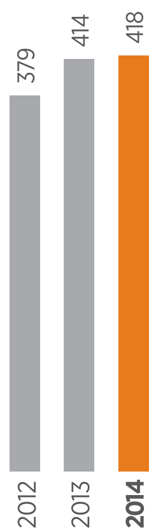
Financial Ratios	2013	2014
Current Assets / Short-Term Liabilities	2.78	3.64
Equity / Total Equity and Liabilities	0.69	0.74
Total Liabilities / Equity	0.44	0.35
Net Financial Liabilities / Total Equity and Liabilities	(0.02)	(0.16)
Net Financial Liabilities / Equity	(0.03)	(0.22)
Gross Profit / Revenue	0.21	0.25
EBITDA (*) / Revenue	0.23	0.32
EBIT (*) / Revenue	0.17	0.26
Net Financial Liabilities/ EBITDA (*)	(0.10)	(0.66)

(*) Operating profit before financial expenses used for calculating EBIT and EBITDA. EBIT and EBITDA are not financial performance measures identified in TFRS and may not be compared with similar indicators identified by companies.

(**) Net Financial Liabilities are calculated by deducting receivables from other relevant parties and cash and cash equivalents from the total of short- and long-term debts and other debts to relevant parties.

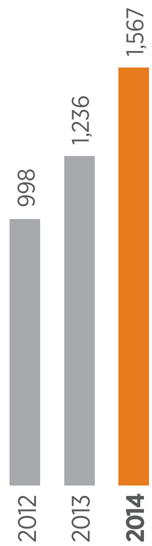
SALES IN TURKEY (Mio Fob/$)

INTERNATIONAL SALES (Mio Fob/$)

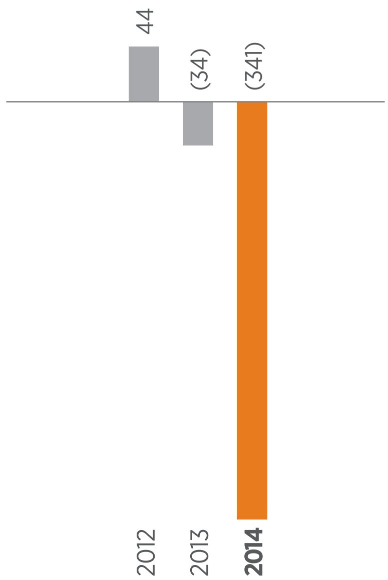


TOTAL ASSETS (Mio TRY)

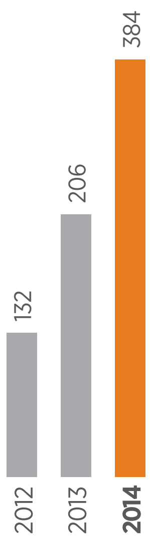
EQUITY (Mio TRY)



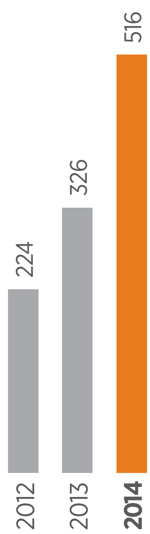
NET FINANCIAL DEBTS (Mio TRY)



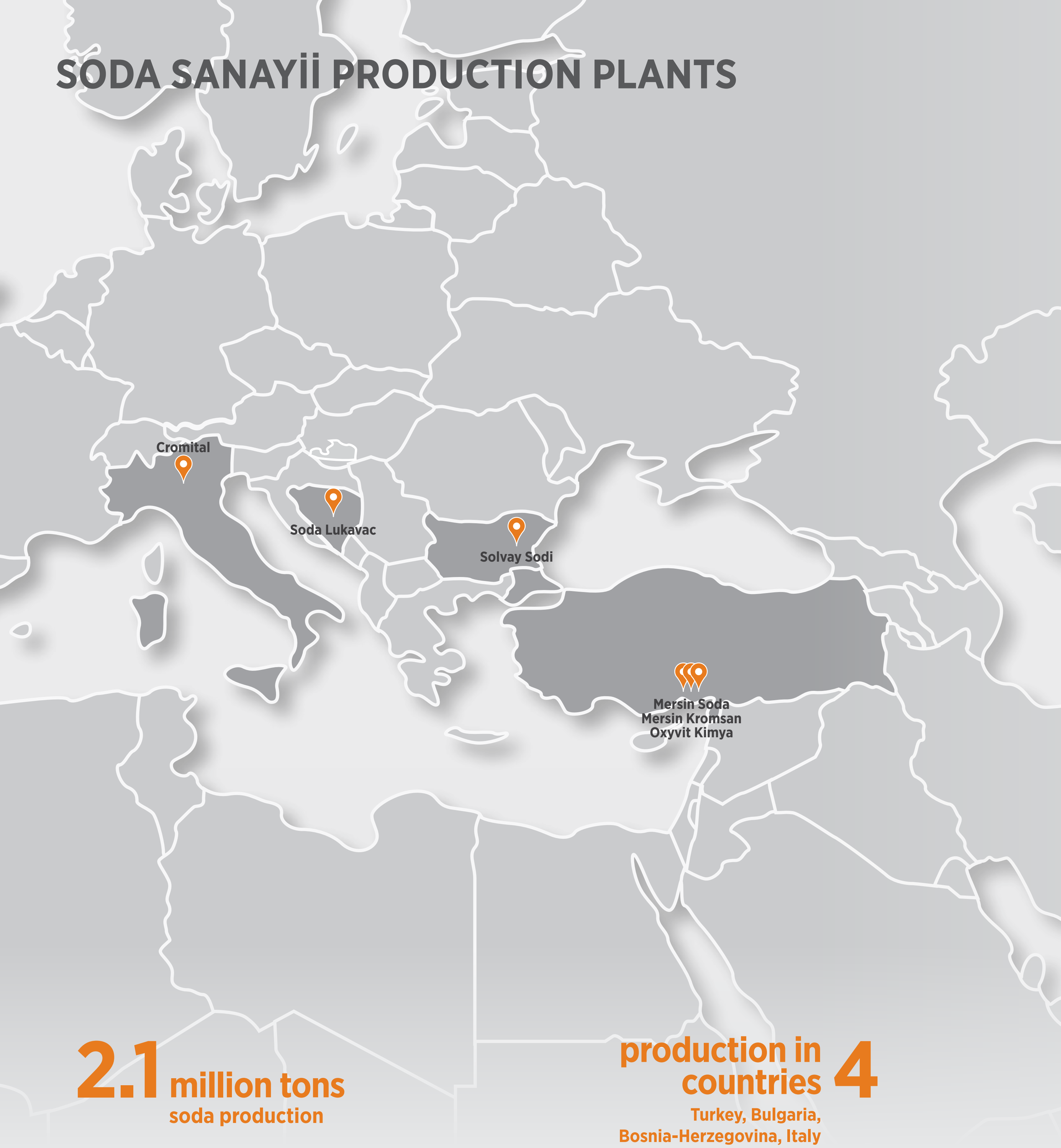
NET PROFIT (Mio TRY)



EBITDA (Mio TRY)



SODA SANAYİİ PRODUCTION PLANTS



2.1 million tons
soda production

production in countries **4**
Turkey, Bulgaria, Bosnia-Herzegovina, Italy

Mersin Soda Plant
Turkey

Mersin Kromsan Plant
Turkey

Soda Lukavac d.o.o
Bosnia-Herzegovina

Solvay Sodi AD
Bulgaria

Oxyvit Kimya
Turkey

Cromital S.p.A
Italy

BOARD OF DIRECTORS

Tahsin Burhan Ergene

Chairman

(49) Burhan Ergene graduated with a bachelor's degree in mechanical engineering from İstanbul Technical University, in 1989. He completed the International Management Certificate Programme in İstanbul University, in 1990, and the Advanced Management Program at the Harvard Business School in 2012. He joined the Şişecam Group in 1990, where he held various managerial positions in the sales and marketing departments. In 2011, he was appointed as the Marketing and Sales Vice President of the Chemicals Group. He has been serving as the Executive Vice President Chemical Business since 2 January 2014.

Soner Benli

Vice Chairman

(46) Soner Benli is a graduate of the Business School at the City University, London, with an MSc in banking and finance. He began his career as an assistant inspector on İşbank's Board of Inspectors on 29 July 1994. He was appointed as an assistant manager in the Risk Management Department of İşbank in 2002, where he was promoted to the position of group head in 2006. In 2007, he was brought to the position of unit head of the Commercial Credit Allocation Department and joined the Credit Risk Management and Portfolio Monitoring Department in 2010. He became Head of the Retail Credit Allocation Department in 2012, a position in which he still serves. Soner Benli is also a member of the board of directors of the subsidiaries of İşbank and Türkiye Şişe ve Cam Fabrikaları A.Ş.

Cihan Sırmatel

Member [1]

(57) Cihan Sırmatel graduated from Marmara University, Faculty of Commercial Sciences in 1980. Holding a graduate degree in accounting auditing from the Institute of Accounting at İstanbul University, he also attended a one-year practical teacher training programme in pedagogy at the Faculty of Education at Ankara University. He began his career at Trakya Cam Sanayii A.Ş. in 1980, a Şişecam company established in Lüleburgaz. He became a Şişecam Inspector in 1989, and conducted various inspections and investigations at Türkiye Şişe ve Cam Fabrikaları A.Ş. and its subsidiaries. Cihan Sırmatel was appointed to the Financial Resources Department in the Şişecam Chemicals Group in 1994. He was assigned as the Group Financial Affairs Manager in 2002 and the Director of Group Financial Affairs of the Chemicals Group in 2011, a position he still holds. Also holding the titles of CPA and Independent Auditor, Sırmatel is a member of TURMOB (the Union of Professional Chambers for Independent Accountants, Financial advisors and Certified Public Accountants in Turkey), The Institute of Internal Auditing–Turkey, and Accounting Professional Association of Turkey. Cihan Sırmatel serves on the boards of directors of the companies affiliated to the Chemicals Group.

Zeynep Hansu Uçar

Member [2]

(43) Zeynep Hansu Uçar graduated with a degree in business administration from the Faculty of Economic and Administrative Sciences at the Middle East Technical University. She began her career as an assistant investment specialist in the Subsidiaries Division of İşbank in 1994, where she later held several managerial positions responsible for various group companies. She has been working as the Subsidiaries Division Unit Manager since 2007. Having served as a Board member and auditor at various İşbank companies since 2004, and of the Şişecam Group affiliated to Türkiye Şişe ve Cam Fabrikaları A.Ş. since 2010, she was appointed as a member of the Board of Directors of Soda Sanayii A.Ş. on 2 August 2010, and has also been a member of the Company's Risk Committee and Corporate Governance Committee. Uçar has also held a seat on the boards of Kültür Yayınları İş Türk A.Ş. since 22 July 2010, Camiş Yatırım Holding A.Ş. since 27 March 2012, Avea İletişim Hizmetleri A.Ş. since 9 October 2012, İş Faktoring A.Ş. since 29 July 2013 and İş Finansal Kiralama A.Ş. since 30 July 2013.

Prof. Dr. Halil Ercüment Erdem

Independent Member (3)

(53) Upon his graduation in 1984 from the Dokuz Eylül University Faculty of Law, Prof. Dr. Erdem worked from 1984 to 1997 at Dokuz Eylül University, initially as a research assistant and, subsequently, as an assistant professor, where he lectured in commercial law and French for Professional Purposes. At the same time, Erdem also taught Master's level courses and served as a thesis advisor for MA students. In 1997, he was awarded an associate professorship in the field of Commercial Law and, in 2003, he received a full professorship in the same field. From 1997 to 2011 he served in the Faculty of Law at Galatasaray University, where he taught Commercial Law, first as an associate professor and later as a full professor. He lectured at the undergraduate, graduate and post-graduate levels and supervised various Master's and PhD. theses and dissertations. Erdem completed his Master's degree in Private Law at the Ankara University Institute of Social Sciences and his PhD. at Fribourg University in Switzerland. Subsequently, he did research on U.S. Law at the Yale Law School. Since 1998, he has been one of the founding partners of Erdem & Erdem Law Office, where he practices in various branches of Commercial Law, particularly Private Law, serving a number of domestic and foreign clients. He has served as an independent member on the Boards of Directors of CMA-CMG since 2011, and Yılport Holding A.Ş. since 2013. Erdem is also the Vice-President of the International Chamber of Commerce Trade Practices Commission, as well as a member of the Istanbul Bar. Likewise, he is also a member of various other professional organizations, including the Council of the International Chamber of Commerce, the International Bar Association and The Advisory Board of the Research Institute for Banking and Commercial Law. Erdem is also a prolific author and has published nine academic books, as well as more than 50 articles and four translations.

Üzeyir Baysal

Independent Member (4)

(53) Üzeyir Baysal graduated with a degree in economics and public finance from the Faculty of Political Science at Ankara University in 1984. He began his career as an assistant auditor at the Board of Sworn Bank Auditors in 1985, where he served as a sworn bank auditor between 1988 and 1996. He was appointed as the Head of Sworn Bank Auditors at the Banking Regulation and Supervision Agency in 1996, a position which he left on 30 March 2012. He is not affiliated in any way with Soda Sanayii and its related parties.

(1) Member of the Corporate Governance Committee.
(2) Member of the Corporate Governance Committee and Member of the Risk Committee.
(3) Head of the Corporate Governance Committee, Member of the Risk Committee, Member of the Audit Committee.
(4) Member of the Corporate Governance Committee, Head of the Risk Committee, Head of the Audit Committee.

Members of the Board of Directors have been appointed to serve for a term extending from 24 May 2012 to 24 May 2015, and their powers have been determined by the provisions of the Turkish Commercial Code and the Company's Articles of Association.

EXECUTIVES

Tahsin Burhan Ergene	Executive Vice President Chemicals Business
Hidayet Özdemir	Manufacturing Vice President
Cenk Nuri Soyer	Marketing and Sales Vice President
Cihan Sırmatel	Financial Affairs Director
Kevser İnceler	Planning Director
İmran Eroğul	Human Resources Director
Selma Akyol	Supply Chain Director
Mehmet Gürbüz	Soda Sanayii A.Ş. General Manager
Umut Barış Dönmez	Şişecam Soda Lukavac d.o.o. General Manager
Yalçın Orhan	Oxyvit Kimya Sanayii A.Ş. General Manager
Tamer Akköseoğlu	Cromital S.p.A General Manager

TO OUR SHAREHOLDERS

Dear Shareholders,

The international conjuncture has put pressure on growth.
Our Company, which is part of the Chemicals Group affiliated to Türkiye Şişe ve Cam Fabrikaları, fulfilled the duties and responsibilities it has taken on to provide a greater contribution to the national economy, and successfully completed its 46th year of operation, defying the negative developments in the world and in Turkey.

Global growth fell short of the projections in 2014 on the back of a string of economic and political developments, most particularly in the second half of the year. The economies of the Euro Zone, one of our Company's key markets, failed to gain the anticipated traction on their road to recovery, while the U.S.A. and U.K. economies notched up a more positive performance. On the other hand, the rate of growth in China, slowed during 2014 while the crisis in Ukraine added to the political risks in the east of Europe, while the aggravated political instability and conflict in the Middle East also ramped up the risks in this region as well.

The hopes at the beginning of the year that the Euro Zone would emerge from recession were soon dashed, and growth in emerging economies, including China, slowed down. With the effect of the conflict in Ukraine and the plunge in oil prices, Russia, the world's eighth largest economy, was dragged into an economic crisis that will be difficult to overcome quickly. The crisis caused a fall in the value of the ruble, precipitating difficulty in accessing funding; while in Ukraine, the economy almost ground to a standstill, with foreign currency reserves being depleted and gas supplies becoming a cause of considerable concern, not just in Ukraine but also for Europe and Turkey.

2015 is projected to be a year characterized by a continuation of the low growth rates seen in recent years, with economies under threat from political risks such as the continued tensions between Russia, the EU and the USA, the civil war in Ukraine, the ISIS threat in Iraq, and the large-scale terror attacks carried out by extremist organizations in the Middle East, Afghanistan and Pakistan.

All of these negative developments and the stagnation in the Euro Zone, in particular, will also take their toll on the Turkish economy, and the ongoing political developments stand out as risk factors that Turkey may be exposed to in 2015, due to its geographical location. The fall in the Turkish lira against the dollar and the rise in inflation has curbed the competitive power of producers. In Turkey, which still relies on short-term foreign currency flow and is faced with high inflation or capital outflow risks, the economy is projected to grow by 3.5% in 2015, while lower oil prices are expected to bring down the current account deficit.

A consistent performance in 2014
In 2014, the expansion in the soda ash industry came with regional differences due to economic and political developments, and the global soda ash industry grew by 4%. Despite these developments, Soda Sanayii succeeded in expanding its operations globally, and performed consistently on the back of its product and service quality, market diversification, and target market penetration.

Our Company manufactured a total of 2.1 million tonnes of soda ash in 2014 at its facilities in Mersin and Bosnia, and at the Solvay Sodi facility, our production joint venture in Bulgaria. With this figure, Soda Sanayii became the 4th largest producer in Europe and 10th in the world.

Our rise in the Southeastern European market continues
2014 was a successful activity year for the soda ash business, with sales revenues and profitability surpassing the targeted figures. Our Bosnia Plant maintained its position as the leading producer of soda ash in its region by virtue of its ongoing investments coupled with growing production, and sustained its rise in the Southeastern European market.

HAVING EXPANDED ITS OPERATIONS GLOBALLY AND HAVING PERFORMED CONSISTENTLY ON THE BACK OF ITS PRODUCT AND SERVICE QUALITY, MARKET DIVERSIFICATION AND TARGET MARKET PENETRATION IN 2014, SODA SANAYİİ IS EUROPE'S FOURTH LARGEST SODA ASH PRODUCER AND THE TENTH LARGEST IN THE WORLD. IT IS ALSO THE WORLD'S LARGEST PRODUCER OF SODIUM BICHROMATE AND BASIC CHROMIUM SULFATE, AND THE WORLD'S FOURTH LARGEST PRODUCER OF CHROMIC ACID.

The slowdown in the growth rate in the global chromium compounds industry throughout 2014 had a negative impact on the industries serviced by the Group, which use chromium products as inputs. The leather, wood preservation and pigment markets performed broadly in line with their previous year's performance in 2014, while the stagnation in the metal plating industry continued. Large conglomerates operate in the leather industry made acquisitions, particularly in the raw material and supply channels, thereby securing a strategic advantage. Hence, competitive conditions continued to become tougher for small and medium-sized enterprises.

Successful results achieved in the chromium business, despite negative market conditions

In spite of these developments, our sales to target markets continued to grow during 2014, and the chromium business demonstrated a successful performance with profitability exceeding the target. Our Kromsan Plant held onto its position of being the world's largest producer of sodium bichromate and basic chromium sulfate, and the world's fourth largest producer of chromic acid in 2014.

In line with its sustainable growth strategy...

In line with the "Sustainable Growth" strategy, our parent Şişecam Group carries out a number of projects and initiatives aimed at constant economic, environmental and social improvement, and at creating value for all our stakeholders.

For the purpose of announcing our impact and performance within this scope, the first Şişecam Sustainability Report covering the Group's domestic operations was prepared in 2014. Sustainability initiatives of Soda Sanayii were also addressed in this report.

A focus on growth and improving its performance

In keeping with its future growth vision, our Company will press ahead in its intensive efforts to improve its performance through capacity increases at existing facilities, growing through strategic collaborations, increasing its dominance in profitable markets, pursuing continued geographical expansion, expanding penetration in target markets while entering new markets, widening its product portfolio with value-added products, enhancing customer satisfaction, perfecting business processes and increasing energy efficiency.

We would like to take this opportunity to extend our thanks to all of our partners, stakeholders and shareholders for their considerable contribution to our results, and to our Company employees who have made these results possible with their commitment and hard work.

Soda Sanayii Board of Directors

THE 4th LARGEST SODA MANUFACTURER IN EUROPE AND 10th IN THE WORLD

LEADING

SODIUM BICHROMATE AND BASIC CHROMIUM SULFATE MANUFACTURER

25% GROWTH IN SALES INCOME

FROM SODA PRODUCTS

2014 ACTIVITIES

AN OVERVIEW OF 2014

Soda Sanayii performed successfully and consistently in 2014 with expanding its operations in the developing markets on the back of the quality of its products and service, its market diversification and target market penetration, despite the economic and political negativities that came particularly in the second half of the year.

Despite some regional differences, the soda ash industry grew by 4% in 2014, correspondingly the rising population and economic development. The tightness in soda ash supply, which became pronounced in 2014 - particularly in Europe - pushed prices upwards.

Regarding the regional demand from industries that use soda ash products as inputs, there was an increase in demand for soda ash in conjunction with the expansion in the glass industry in Asia, India, Africa, Latin America and the Middle East. Another major soda ash user, the detergent industry displayed a growth rate of 3.4% globally, although showing geographical differences, while the positive performance of the detergent industry in Asia boosted the need for soda ash. However, a globally more competitive environment forced the major enterprises in the industry to undertake reorganization and capacity optimization initiatives. The volume of the soda ash market in Western Europe remained flat due to the stagnation in Europe in 2014, while the reduced excess supply in the industry positively impacted the supply/demand balance.

The glass industry, a large-scale user of soda ash in Turkey, maintained its demand growth in 2014. Improved investments of the Sisecam Group and the other glass producers contributed to soda ash consumption. The detergent industry's demand for soda ash grew in the domestic market due to increasing exports to the Middle East. The textile industry's demand, on the other hand, was volatile throughout the year. Using the value-added sodium bicarbonate product as an input, the feed industry expanded in 2014, which in turn drove growth in demand for this product.

2014 HIGHLIGHTS

25% growth in sales revenue on soda ash products in 2014

The soda ash business line completed a successful year in 2014, despite a number of negative economical and political developments, and attained 25% growth in TRY-based sales revenue when compared to the previous year. Soda ash production at the plants in Mersin, Bosnia & Herzegovina and in the Solvay Sodi facilities, its production joint venture in Bulgaria, totaled 2.1 million tonnes. Ranked fourth in Europe and tenth in the world among the top producers, Soda Sanayii shipped 64% of the total sales out of these three facilities to international markets.

The Company made investments in the Mersin Soda Plant in order to increase the share of value-added products; as a result, through full-capacity manufacturing, sales of refined sodium bicarbonate posted growth when compared to the previous year. Marketing activities and branding efforts are underway along the same lines. Expanding its market penetration in parallel with the ongoing capacity expansion investments and growing production, the Bosnia&Herzegovina Plant has become the fastest-growing producer of synthetic soda ash in the region, a trend which has continued with its rise in the Southeastern European market. The Company, one of Bosnia & Herzegovina's biggest exporters, received the country's prestigious "Silver Stamp" award as the most improved company.

Markets related to the leather, wood preservation and pigment industries which use chromium products as inputs performed broadly in parallel with the previous year, while the stagnation in the metal plating industry continued in 2014. Political and geopolitical unrest in Turkey's northern and southern neighbors had a negative effect on the leather industry during 2014.

In 2014, large conglomerates involved in the leather industry made acquisitions, particularly in raw material supply channels, thereby incorporating the supply chain into their own organization and securing a strategic advantage. Hence, competitive conditions continued to become tougher for small and medium-sized enterprises. Companies thus downsized and even closed down, particularly in Taiwan; due to increased environmental controls in China, this resulted in the termination of manufacturing activities of some producers. Despite these negative developments, the Group's sales performance exceeded expectations in the target markets.

The Chinese market, controlling half of the worldwide consumption in chromic acid product, was the scene to excess supply as a result of the plants that entered operational and others that increased capacities last year, further worsening the already fierce competition. The ongoing stagnation in the industry and increased competition led to a decline in prices worldwide.

International markets behind 82% of sales revenue from chromium compounds

In spite of these developments, the Group performed successfully in 2014, and its profitability exceeded targets. Pursuing activities in Mersin, Italy and China in the chromium business line, Group companies increased the number of countries and customers they sell their products to, and derived 82% of their sales revenue from international markets. One of the world's leading facilities by virtue of its product quality, manufacturing technology, and environmental norms, the Kromsan Chromium Compounds Plant maintained its position as the world's leading producer of sodium bichromate and basic chromium sulfate, and as the fourth largest producer of chromic acid in 2014.

Firmly moving forward towards its goal of becoming a center meeting the European market's need for basic chromium sulfate, liquid chromic acid, and liquid bichromate, Cromital S.p.A., the Italy-based Group company, also plays an important role in high value-added specialty chromium III chemicals. The only facility in Italy to have been granted permission to treat and recover chromium wastewater produced by the metal plating industry, Cromital S.p.A. is able to reuse the recovered chromium in its production. In 2014, the Company succeeded in raising its sales of bicarbonate directed towards the leather and flue gas treatment industry, which it had commenced in 2013.

Soda Sanayii provides its own process steam need with its onsite Cogeneration Plant. Having an electricity generation capacity of 252 MW, the Cogeneration Plant generated 4.2 million tonnes of steam and 1.9 billion kWh of electricity in 2014.

Highlights of 2014 investments

Modernization investments continued throughout 2014 in line with the Company's targets of profitable growth, which were aimed at strengthening the facility performance, reducing energy costs and securing increased productivity.

Work on the calciner and additional equipments that aims to increase the calciner capacity by 80.000 tonnes got underway in the Mersin Soda Plant. Investments in the salt facility to meet the increased production capacity continued. Within the scope of energy efficiency initiatives, the Company obtained TS-EN-ISO 50001 Energy Management System Certification, and an Online Energy Monitoring System was established. While the investment incentive certificate dated 6 August 2013, which was obtained for 2013 and 2014 investments, is still valid, a new incentive certificate was received for the salt facility investments in 2014.

Efforts are underway to increase the capacity of the existing system to meet the increased demand for high value-added chromium III chemicals. The investment incentive certificate for the 2013-2014 period remains valid.

Capacity increase investments continued at the Şişecam Soda Lukavac Plant, where the annual capacity was raised to 440,000 tonnes by the year-end. In addition, work continues on the boiler investment, which aims to increase energy efficiency and guarantee production processes comply with environmental legislation.

KEY EVENTS AND ORGANIZATIONS

Soda Sanayii was the bronze sponsor for the 12th TUYEM International Feed Congress held in Antalya between 20 and 23 April 2014.

The Company participated as a co-exhibitor in "SPACE Rennes 2014", the International Exhibition for Animal Productions held in the city of Rennes in France between 16 September and 19 September 2014.

In 2014, Soda Sanayii also took part in a number of international trade shows, including the All China Leather Fair, the Shanghai-China, FIMEC Leather Fair and Novo Hamburgo Brazil. TANKROM®, the leading Şişecam brand for leather products, attracted tremendous interest from international participants in the All China Leather Fair, in which 20 countries opened stands , as well as numerous exhibitors from all over China.

The Company also attended as a consultant in various symposiums and meetings in Turkey, which were aimed at promoting and establishing the basic chromium sulfate product that enables tanning to be performed in an environmentally friendly way. The acceptance and application by clients of new technologies, which fundamentally changes the production of leather, have covered a lot of ground after having accelerated the technical studies. In 2014, The Company carried on its activities in the frame of Responsible Care that is the world's leading voluntary industry initiative; alongside of management system applications it also performed communication activities.

Some of the activities carried out included the planting of 3,000 trees; the 13th annual painting contest themed “Love for Nature and the Environment”, held among primary school pupils; donating unused computers available at Soda Sanayii to nearby schools and mukhtar offices, and repair/maintenance work of nearby schools; visits to schools and nongovernmental organizations; sponsorship of the Kazanlı Primary School “Kaplumbağa” (Turtle) Magazine; and a kite festival held for children with disabilities. Other ongoing events and initiatives undertaken by Soda Sanayii included the Şişecam Inter-Company Volleyball Tournament, the Backgammon Tournament, plant tours (for primary/secondary school pupils and university students, individuals with disabilities, old age pensioners and members of the Association of Soda Employees and Pensioners), the Mersin Inter-Company Volleyball Tournament, the Mersin Inter-Company Table Tennis Tournament (in which the Company won the provincial championship trophy), the Football Tournament of Members of the Petrol-İş Trade Union in Mersin (where the Company was placed first and third), and educational grants to university students in need of financial support who were the children of pensioners who worked at the Company - an initiative funded exclusively by employees. In 2014, the Company covered the costs of jerseys for the Mersin Kurtuluş Sports Club, which competes in the Turkish Women’s Basketball 2nd League.

Besides extending support to the Mersin International Music Festival, the Company is the sole sponsor of the Project for Investigation, Monitoring and Conservation of Sea Turtle Populations carried out by Mersin University on Kazanlı Coast under the supervision of the Ministry of Forestry and Water supplies. Soda Sanayii will maintain its activities in line with social responsibility and consciousness by attaching the utmost importance to environmental initiatives and occupational health and safety practices, while not compromising on the quality.

REACH

Being a major exporter of soda ash and chromium products to the EU, Soda Sanayii has largely completed registrations for substances since 2010 in an effort to fulfil its obligations under the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) program, a highly important consideration for the European Union. In 2014, the permit procedures for our Chromic Acid product continued under the REACH program, and related work is currently ongoing. In addition, registration formalities began for the Chromium Chloride product in the “lead registrant” category in the first half of the year, and official registration was completed on 23 December 2014.

ENVIRONMENTAL AND QUALITY ACTIVITIES

Soda Sanayii carried on performing its management system applications listed below in order to manage its entire activities in favour of maintaining health and safety of the environment, its employees, customers and surroundings.
In 2014;

- “Product Conformity Certificates” were renewed for soda ash and chromium products;
- Supervisory audits were conducted at the Soda and Kromsan Plants regarding the ISO 9001:2008 Quality Management System, the ISO 22000 Food Safety and Global Food Safety Management System for refined bicarbonate, the ISO FSCC 22000 Management System, and the GMP and management systems for feed-grade refined bicarbonate;
- The Company received ISO 10002 Customer Satisfaction Management System Certification;
- The Company received ISO 50001 Energy Management System Certification;
- Interim supervisory audits were successfully conducted for Kosher and Halal Certificates;
- Interim supervisory audits were successfully passed for the ISO 14001 Environment Management System and OHSAS 18001 Occupational Health and Safety Management System, which have been implemented as an “Integrated Management System”;
- Soda Sanayii carried out its planned activities within the framework of the Environmental Impact Assessment Regulation. Obligations under the Environmental Permit and License Regulation were fulfilled in relation to the Company’s activities.

RESEARCH AND DEVELOPMENT ACTIVITIES

Soda Sanayii’s R&D activities are carried out in line with its targets of improving the current processes involved in the manufacture of soda ash and chromium compounds using low-cost technologies in an environmentally friendly manner, enriching the product portfolio with high value-added new products, and increasing the Company’s competitive strength through activities that will reduce costs and enhance productivity.

Researches on the production of high value-added new products carried out and activities aimed at increasing productivity were performed in the soda business in 2014. Whereas in the chromium chemicals segment, R&D activities were executed with the aim of increasing both productivity and the number of areas to apply new tanning product. Activities concerning the chromium III product portfolio continued, laboratory and pilot-scale studies were conducted in order to produce high value-added new products.

OUTLOOK FOR 2015 AND TARGETS

The upward pressure on prices due to significant short supply in the soda business, particularly felt in Europe, is expected to persist in 2015.

Demand for soda ash is expected to increase by 6% in 2015 compulsively due to growth rate of the glass and detergent industries in Asia, the Indian continental shelf and Africa regions. These markets are followed by Latin America and the Middle East regions, which have developing glass industries with increase of 4-5% in soda demand. While the Western European market is expected to follow a flat course due to the stagnation in Europe, demand for soda ash is expected to follow a more buoyant trend, owing particularly to the positive impact of the detergent industry's performance in Central and Eastern Europe.

In an attempt to meet the growth target in the soda ash sector, efforts to expand capacity will continue, and a momentum will be injected into projects that aims at increasing the weight of value-added products in the sector's portfolio in 2015. Amidst such a fiercely competitive environment, attention will again focus on projects aiming at efficient cost management and increasing energy efficiency in 2015.

The intense competition having experienced with the existing rivals in chromium products is expected to continue in 2015. The competition may become even more challenging, more so in the Euro Zone than in other regions because of low exchange rates. In line with its growth vision in the chromium sector, the Company plans to expand its target market and concentrate on strategic collaborations, while targeting higher sales income through optimal use of the capacity. In export markets, which have been diversified in recent years, priority will be given to emerging countries in particular, reinforcing the presence of the Chemicals Group in these markets. In keeping with its role and the responsibilities of being a global player, the chromium business will maintain its customer-focused approach in all sales and marketing activities. Another priority for the Group is the development of new products which rely on environmentally friendly technologies.

HUMAN RESOURCES

As of the 2014 year-end, the Group employed a total of 1,550 people, 630 of whom are salaried and 920 are hourly paid workers.

The Company's human resources policies are performed in accordance with the laws and regulations in force, and in alignment with the corporate values of the Şişecam Group, paying due regard to the common interests of both the employer and the employees.

At Soda Sanayii, all human resources policies including recruitment, training, performance management, optimum staffing analyses, reorganization initiatives, remuneration and career management and succession systems, are carried out in conformity with the laws and regulations in force, while observing the common interests of the employer and the employees. Necessary in-house and external training programs are offered to build on the knowledge and skills of employees, and their development is supported through opportunities for participation in domestic and overseas training/certification programs, conferences, panels, trade fairs and summits. Successful projects undertaken by employees during the year are rewarded under the Recognition, Appreciation and Rewarding System.

In view of the Group's globalizing corporate culture, the development activities necessary for its human resource are performed in line with a concept of success-oriented performance and constant improvement. Domestic and international training and development programs are implemented to build on the international management competencies of potential leaders and technical specialist people.

INDUSTRIAL RELATIONS

The Collective Bargaining Agreement, concluded with the Petrol-İş Trade Union comprising both Soda and Kromsan Plants expired on 31 December 2013. The Collective Bargaining Agreement for the 2014-2015 period has been signed upon the mutual agreement reached on 12 August 2014.

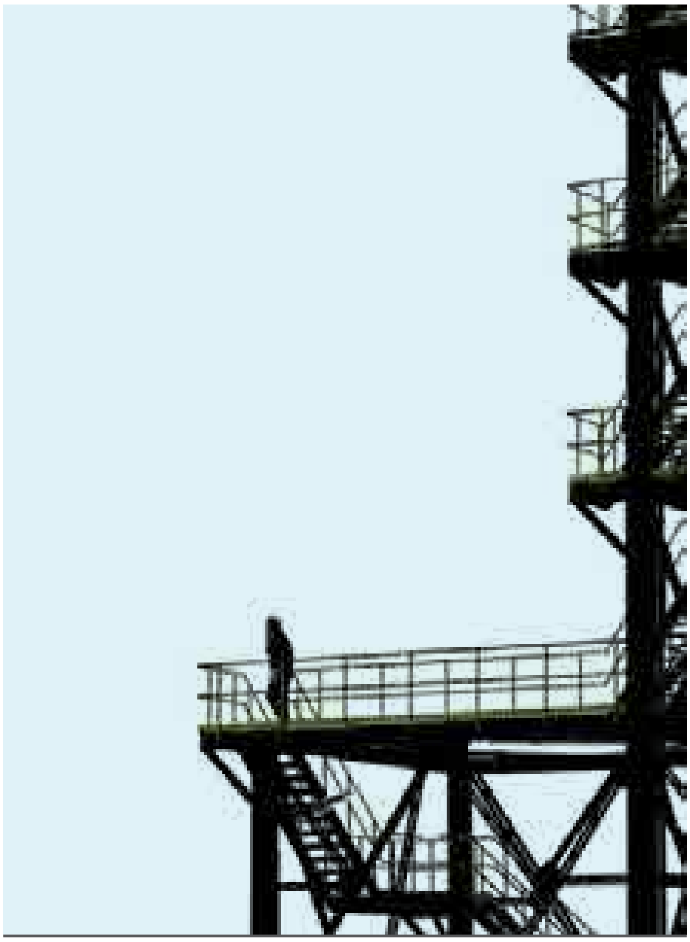
The Workplace Collective Bargaining Agreement for 2014 covering the Şişecam Soda Lukavac Plant expired on 31 December 2014, and the Collective Bargaining Agreement for 2015 was concluded on 16 December 2014.

In keeping with its corporate values, the Company does not discriminate against employees on the basis of their race, religion, language or sex; it respects diversity and differences, and requires strict adherence to the Şişecam Code of Conduct in all work processes.

OCCUPATIONAL HEALTH AND SAFETY

During 2014, field observation activities were carried out at the Chemicals Group Companies and affiliated plants and facilities within the scope of occupational health and safety. Pursuant to the Occupational Health and Safety Law, work was taken on in relation to regulatory obligations, while necessary training programs were offered and events were organized to propagate a culture of occupational health and safety.

The managers and related employees at the Group's facilities were informed of the new requirements introduced by the new Occupational Health and Safety Law in writing and electronically. Consultancy and support activities were pursued to ensure the compliance of the affiliated facilities with the new requirements.



RISK MANAGEMENT AND THE INTERNAL CONTROL SYSTEM

Enterprise Risk Management and the Internal Control System

The "Risk Committee" and the "Audit Committee", set up under the Board of Directors, are responsible for handling the Company's risk management and internal audit activities. Committee meetings are held regularly to discuss the predetermined agenda items. The decisions passed and proposals presented in meetings are recorded and regularly reported to the Board of Directors. Through the committees, the Board of Directors closely monitors the risk management and internal audit activities carried out in the Company, and the Board of Directors provides the necessary guidance.

The ongoing global crisis began in 2008 coupled with the geopolitical risks that have had such a pronounced impact on the regions, where the Company operates , raised uncertainty to a new level. This environment of uncertainty, combined with ever fiercer competition as players sought to capture market share in contracting markets, along with rising customer expectations, tighter regulatory requirements and developments in corporate governance, increased the risk perceptions among our stakeholders. This led to a renewed evaluation of the efficiency of the risk management and internal audit processes during 2014. The Risk Management and Internal Audit functions in the Şişecam Group were separated and organized under distinct divisions in order to devote greater concentration to the management of these two issues which make up the key components of the Company's Corporate Governance.

Risk management and internal audit activities are being carried out with the aim of providing the maximum risk assurance to stakeholders, protecting the Company's tangible and intangible assets, minimizing losses caused by uncertainties and maximizing the benefit from potential opportunities. During the course of these activities, communication between the internal audit and risk management functions is maintained at a maximum level and activities are implemented with the aim of supporting the decision-making process and increasing management efficiency.

Risk Management

Risk management activities within the Group are carried out under a holistic and proactive approach based on enterprise risk management principles. The risk catalogues prepared are periodically updated with the participation of the employees, and the risks are ranked according to their importance. By taking the risk appetite of the Board of Directors into account, on the basis of the analysed risks, the strategies to be implemented are established and the necessary measures are taken.

These risk management activities are not only limited to financial and strategic risks, but also cover operational risks such as production, sales, occupational health and safety, emergency management and information technologies.

Internal Audit

The objective of the internal audit activities, which have been carried out within the Group for many years within an established and corporate structure, are to assist the healthy development of the Group's companies, to ensure uniformity in practices, and to assure the execution of efficient, constructive and productive controls and timely implementation of corrective actions which will guarantee that all activities are performed in compliance with the legislation. The results of the risk management activities are also used in internal audit activities, which are carried out in accordance with the annual audit program, and in the preparation of the audit program, meaning that "risk-based audit" practices are implemented.

INFORMATION CONCERNING CONSOLIDATED COMPANIES

Şişecam Soda Lukavac d.o.o

The Company was established in 2006 in the Tuzla Canton in the Federation of Bosnia & Herzegovina. The company manufactures soda and soda derivatives, exporting most of its production volume.

The indirect ownership share held in the company is 89.30%. The remaining shares are held by another company affiliated to the Government of the Tuzla Canton.

Solvay Şişecam Holding A.G.

Based in Vienna, the company is a stock corporation incorporated in 1997 to participate in the Solvay Sodi AD in Bulgaria.

The indirect ownership share in the company is 25%, with the Solvay Group holding the remaining 75% of the shares.

Şişecam Bulgaria Ltd.

Based in Varna, the company is engaged in the trade of soda products in Bulgaria. Soda Sanayii has an indirect ownership share of 100% in the company.

Oxyvit Kimya Sanayii ve Ticaret A.Ş.

Established in 1996 in the Tarsus Organized Industrial site, the company is engaged in the production and marketing of Vitamin K3, sodium metabisulfite and their derivatives. Vitamin K3 is a high value-added product used as an additive in animal feeds, mainly for poultry. Sodium Metabisulfite is used in the food, textiles, construction chemicals, leather industry and various chemicals industries. As one of the few producers in the industry and commanding a substantial portion of worldwide capacity, Oxyvit exports more than 90% of its production. The other major shareholder in Oxyvit is Cheminvest Türkiye Deri Kimyasalları San. ve Tic. A.Ş., an Italian owned company, established in Turkey and engaged in chemicals trading. Soda Sanayii A.Ş. holds a 44% stake in Oxyvit.

Cromital S.p.A.

The company was established in 1992 in Bergamo, Italy. Soda Sanayii acquired a 50% stake in the capital of Cromital in 2005, making it an associate, and acquired the remaining shares from Cheminvest S.p.A. in 2011, thus becoming a wholly-owned subsidiary. Soda Sanayii A.Ş. holds a 99.50% indirect ownership stake in the company, with the remaining 0.50% of the shares held by Türkiye Şişe ve Cam Fabrikaları A.Ş.

Cromital produces basic chromium sulfate, a main chemical used in the leather industry, and sells its products predominantly to Italian market, which is known to be a respectable leather industry.

Şişecam Chem Investment BV

Established as a portfolio management company, the company offers consultancy and other services to the group companies. Soda Sanayii holds a 99.46% stake in Şişecam Chem Investment BV, whose portfolio covers 99.50% of shares in Cromital S.p.A., 100% of shares in Şişecam Bulgaria Ltd., 89.30% of shares in Lukavac d.o.o., and 25% of shares in Solvay Şişecam Holding AG.

SODA SANAYİİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS AT 1 JANUARY - 31 DECEMBER 2014 TOGETHER WITH AUDITOR'S REPORT (ORIGINALLY ISSUED IN TURKISH)

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.;

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Soda Sanayii A.Ş. (the "Company") and its Subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and Independent Auditing Standards that part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

   An independent audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on independent auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the independent auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An independent audit includes also 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 independent audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Soda Sanayii A.Ş. and its Subsidiaries as at 31 December 2014 and their financial performance and cash flows for the period then ended in accordance with Turkish Accounting Standards.

Other Responsibilities Arising From Regulatory Requirements

5. In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No: 6102; auditor's report on the early risk detection system and committee has been submitted to the Company's Board of Directors on 27 February 2015.

6. In accordance with subparagraph 4 of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2014 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

7. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

C Harman

Cihan Harman, SMMM
Partner

Istanbul, 27 February 2015

SODA SANAYİİ A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2014

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

ASSETS	Note	31 December 2014	31 December 2013
Current Assets		**1.111.338.089**	**800.251.931**
Cash and cash equivalents	6	648.470.674	224.011.173
Financial investments	7	721.100	750.705
Trade receivables	10,37	254.738.939	251.537.927
- Due from related parties	*37*	*27.383.864*	*31.916.903*
- Other trade receivables	*10*	*227.355.075*	*219.621.024*
Other receivables	11,37	7.055.282	149.055.745
- Due from related parties	*37*	*4.333.632*	*143.802.469*
- Other receivables	*11*	*2.721.650*	*5.253.276*
Inventories	13	173.715.725	136.767.953
Prepaid expenses	14	5.507.619	5.152.550
Current income tax asset	35	233.492	93.418
Other current assets	26	20.895.258	32.882.460
Non-Current Assets		**1.009.988.081**	**980.215.045**
Financial investments	7	8.226.209	26.989.819
Other receivables	11	120.440	172.811
Investments accounted under equity method	16	217.532.079	197.200.326
Property, plant and equipment	18	727.981.342	733.801.473
Intangible assets	19,20	7.223.097	8.038.417
- Goodwill	20	*6.645.555*	*6.918.379*
- Other intangible assets	19	*577.542*	*1.120.038*
Prepaid expenses	14	33.332.043	1.912.718
Deferred tax assets	35	11.741.355	8.266.807
Other non-current assets	26	3.831.516	3.832.674
TOTAL ASSETS		**2.121.326.170**	**1.780.466.976**

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

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

LIABILITIES	Note	31 December 2014	31 December 2013
Current Liabilities		**305.502.188**	**287.945.348**
Short term borrowings	8	25.016.388	27.192.860
Short term portion of long term borrowings	8	33.177.208	58.038.374
Trade payables	10,37	177.808.511	146.863.428
- Due to related parties	*37*	*35.081.060*	*24.879.749*
- Other trade payables	*10*	*142.727.451*	*121.983.679*
Employee benefit obligations	24	2.208.672	2.204.834
Other payables	11,37	32.577.258	20.114.248
- Due to related parties	*37*	*25.943.124*	*16.531.472*
- Due to non-related parties	*11*	*6.634.134*	*3.582.776*
Deferred income	14	4.145.561	8.790.976
Current income tax liabilities	35	15.673.128	10.151.075
Short term provisions	22,24	9.002.887	6.513.102
- Provisions for employee benefits	24	*429.105*	*473.571*
- Other short term provisions	22	*8.573.782*	*6.039.531*
Other current liabilities	26	5.892.575	8.076.451
Non-Current Liabilities		**248.859.060**	**256.132.676**
Long term borrowings	8	227.322.531	231.904.806
Other payables	11	904.548	173.762
Provisions for employee benefits	24	20.631.981	24.054.108
EQUITY		**1.566.964.922**	**1.236.388.952**
Total Equity Attributable to Equity Holders of the Parent	27	**1.547.694.876**	**1.221.012.774**
Capital		503.000.000	457.000.000
Other comprehensive income/expenses not to be reclassified to profit or loss		(541.562)	(1.972.127)
- Actuarial gain/(loss) fund for employee termination provision		*(541.562)*	*(1.972.127)*
Other comprehensive income/expenses to be reclassified to profit or loss		93.372.863	106.426.238
- Foreign currency translation reserve		*91.617.046*	*106.854.820*
- Financial asset revaluation reserve		*1.755.817*	*(428.582)*
Restricted reserves		66.715.871	40.002.592
Retained earnings		500.690.345	413.736.413
Net profit for the period		384.457.359	205.819.658
Non-controlling interest	27	**19.270.046**	**15.376.178**
TOTAL LIABILITIES AND EQUITY		**2.121.326.170**	**1.780.466.976**

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

SODA SANAYİİ A.Ş.

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Note	1 January- 31 December 2014	1 January- 31 December 2013
Sales	28	1.606.682.874	1.403.898.784
Cost of sales (-)	28	(1.209.400.234)	(1.115.463.860)
Gross Profit		**397.282.640**	**288.434.924**
General administrative expenses (-)	29,30	(61.795.752)	(55.181.071)
Marketing expenses (-)	29,30	(74.290.315)	(61.777.432)
Research and development expenses (-)	29,30	(2.372.651)	(2.372.665)
Other operating income	31	40.613.872	51.077.671
Other operating expenses (-)	31	(28.462.329)	(20.610.163)
Income from associates	16	58.232.120	36.551.360
OPERATING PROFIT		**329.207.585**	**236.122.624**
Income from investing activities	32	93.920.648	1.388.206
Expense from investing activities (-)	32	(29.154)	-
OPERATING PROFIT BEFORE FINANCIAL INCOME		**423.099.079**	**237.510.830**
Financial income	33	109.256.440	56.432.941
Financial expense (-)	33	(88.245.839)	(52.627.714)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**444.109.680**	**241.316.057**
Tax expense from continuing operations		**(56.510.202)**	**(33.269.590)**
Tax charge for the period	35	(60.508.687)	(38.493.623)
Deferred tax income	35	3.998.485	5.224.033
Profit for the period		**387.599.478**	**208.046.467**
Attributable to:			
Non-controlling interest	27	3.142.119	2.226.809
Equity holders of the parent	**27**	**384.457.359**	**205.819.658**
Earnings Per Share	**36**	**0,764**	**0,409**

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

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

	Note	1 January-31 December 2014	1 January-31 December 2013
Profit for the period	27	**387.599.478**	**208.046.467**
Other Comprehensive Income			
Items not to be reclassified to profit or loss	27	**1.278.118**	**-**
- Actuarial gain / (loss) on post employment termination benefit obligation		1.583.989	-
- Deferred tax gain/(loss)		(316.796)	-
- Income from associates		10.925	-
Items to be reclassified to profit or loss	27	**(13.857.470)**	**59.727.837**
- Currency translation differences		(16.041.869)	62.587.041
- Fair value gain/(loss) on financial assets		2.383.956	(3.094.278)
- Deferred tax gain/(loss)		(199.557)	235.074
Other Comprehensive Income/(Loss)	27	**(12.579.352)**	**59.727.837**
Total Comprehensive Income	27	**375.020.126**	**267.774.304**
Attributable to:			
Non-controlling interest	27	2.338.024	4.982.785
Equity holders of the parent	**27**	**372.682.102**	**262.791.519**
Earnings Per Share	**36**	**0,741**	**0,522**

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

SODA SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

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

		Other Comprehensive Income not to be reclassified to profit or loss	Other Comprehensive Income to be reclassified to profit or loss			Retained Earnings				
	Paid in capital	Other Income/(Loss)	Currency Translation Differences	Other Income/ (Loss)	Restricted Reserves	Retained Earnings	Net Profit for the Period	Total Equity Attributable to Equity Holders of the Parent	Non-controlling interest	Total
Balance at 1 January 2013	**425.000.000**	**(1.972.127)**	**47.023.755**	**2.430.622**	**34.372.614**	**350.094.497**	**132.103.256**	**989.052.617**	**8.789.655**	**997.842.272**
Transfer	-	-	-	-	5.629.978	126.473.278	(132.103.256)	-	-	-
Total comprehensive income	-	-	59.831.065	(2.859.204)	-	-	205.819.658	262.791.519	4.982.785	267.774.304
Share capital increases	32.000.000	-	-	-	-	(32.000.000)	-	-	2.715.300	2.715.300
Dividend distributed	-	-	-	-	-	(32.000.000)	-	(32.000.000)	-	(32.000.000)
Impact of acquisition of non-controlling	-	-	-	-	-	1.168.638	-	1.168.638	(1.111.562)	57.076
Balance at 31 December 2013	**457.000.000**	**(1.972.127)**	**106.854.820**	**(428.582)**	**40.002.592**	**413.736.413**	**205.819.658**	**1.221.012.774**	**15.376.178**	**1.236.388.952**

		Other Comprehensive Income not to be reclassified to profit or loss	Other Comprehensive Income to be reclassified to profit or loss			Retained Earnings				
	Paid in capital	Other Income/(Loss)	Currency Translation Differences	Other Income/ (Loss)	Restricted reserves	Retained Earnings	Net Profit for the Period	Total Equity Attributable to Equity Holders of the Parent	Non-controlling interest	Total
Balance at 1 January 2014	**457.000.000**	**(1.972.127)**	**106.854.820**	**(428.582)**	**40.002.592**	**413.736.413**	**205.819.658**	**1.221.012.774**	**15.376.178**	**1.236.388.952**
Transfers	-	-	-	-	26.713.279	179.106.379	(205.819.658)	-	-	-
Total comprehensive income	-	1.278.870	(15.237.774)	2.184.399	-	(752)	384.457.359	372.682.102	2.338.024	375.020.126
Share capital increases	46.000.000	-	-	-	-	(46.000.000)	-	-	3.449.488	3.449.488
Impact of acquisition of non-controlling	-	151.695	-	-	-	(151.695)	-	-	(1.857.537)	(1.857.537)
Dividend distributed	-	-	-	-	-	(46.000.000)	-	(46.000.000)	(36.107)	(46.036.107)
Balance at 31 December 2014	**503.000.000**	**(541.562)**	**91.617.046**	**1.755.817**	**66.715.871**	**500.690.345**	**384.457.359**	**1.547.694.876**	**19.270.046**	**1.566.964.922**

Detailed information on changes in equity have been disclosed in Note 27.

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

	Note	1 January- 31 December 2014	1 January- 31 December 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		**449.667.267**	**18.562.274**
Net profit for the period		**387.599.478**	**208.046.467**
Adjustments to reconcile net profit/(loss) to net cash provided by operating activities		**(20.618.381)**	**58.443.973**
- Depreciation and amortization	18,19	92.794.666	88.093.385
- Adjustments for impairments/reversals	10,11,13	6.660	534.473
- Changes in provisions	22,24	7.710.956	6.713.354
- Interest income and expenses	31,33	(7.552.587)	1.676.847
- Unrealized exchange loss/ (gain) on cash and cash equivalents	31,33	(17.964.963)	(33.905.289)
- Adjustments for undistributed earnings of associates	16	(58.232.120)	(36.551.360)
- Adjustments for tax income/losses	35	56.510.202	33.269.590
- Gain/ losses from sales of tangible assets	32	(80.175.577)	(456.047)
- Dividend income	32	(1.105.287)	(930.980)
- Profit on sale of subsidiaries	27,32	(12.610.331)	-
Changes in net working capital		**148.513.419**	**(207.247.857)**
- Increases/decreases in inventories	13	(41.567.203)	(16.476.420)
- Increases/decreases in trade receivables	10,37	2.061.193	(37.598.763)
- Increases/decreases in other receivables	11,37	141.993.803	(140.716.450)
- Increases/decreases in trade payables	10,37	31.397.964	(3.025.910)
- Increases/decreases in other payables	11,14,24,37	7.872.805	(20.754.340)
- Increases/decreases in net working capital	7,14,15,26,35	6.754.857	11.324.026
Cash flows from operating activities		**515.494.516**	**59.242.583**
- Interest paid	8,33,37	(13.279.890)	(11.878.136)
- Interest received	33,37	9.401.596	4.513.391
- Taxes paid	35	(54.964.757)	(31.551.446)
- Employment termination benefits paid	24	(6.984.198)	(1.764.118)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**30.682.760**	**(56.125.454)**
- Proceeds from sale of interests in subsidiaries	27	22.944.386	-
- Proceeds from disposals of associates	7,16,32	101.199.130	-
- Proceeds from sale of tangible and intangible assets	18,19,32	120.692	496.020
- Purchases of tangible and intangible assets	18,19	(103.952.838)	(109.211.169)
- Advances given and changes in liabilities	14	(47.170.954)	6.270.836
- Repayment from advances given and change in liabilities	14	15.564.910	-
- Dividends received	16,32	30.656.705	25.583.118
- Interest received	6,33	10.536.414	6.266.546
- Other cash inflow	10,11,26	784.315	14.469.195

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

	Note	1 January- 31 December 2014	1 January- 31 December 2013
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(78.105.850)**	**52.798.968**
- Proceeds from borrowings	8	44.823.248	335.420.277
- Repayment of borrowings	8	(80.342.479)	(253.393.685)
- Dividend payments	27	(46.036.107)	(32.000.000)
- Capital contribution of non-controlling interests	27	3.449.488	2.715.300
- Share transaction with non-controlling interests (net)	27	-	57.076
Net increase/(decrease) in cash and cash equivalents before currency translation differences (A+B+C)		**402.244.177**	**15.235.788**
D. EFFECTS OF UNREALIZED EXCHANGE LOSS/ (GAIN) ON CASH AND CASH EQUIVALENTS		**21.829.787**	**41.603.219**
Effect of foreign currency translation differences on cash and cash equivalents	33	24.996.281	32.608.015
Foreign currency translation differences	27	(3.166.494)	8.995.204
Net increase/ (decrease) in cash and cash equivalents (A+B+C+D)		**424.073.964**	**56.839.007**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**223.734.921**	**166.895.914**
Cash and cash equivalents at the end of the period (A+B+C+D+E)	6	**647.808.885**	**223.734.921**

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

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

1. Group's Organization 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 (4 subsidiaries, 1 associate and 1 joint venture).

The Group's operations comprise establishing and acquiring manufacturing facilities to manufacture light soda ash, dense soda ash, sodium bicarbonate, sodium bichromate, sodium sulphur, basic chromium sulphate, chromic acid and derivatives of soda and other products derived from soda, and importing and exporting the production of these products, generating electricity, and selling the generated electricity.

The Company was founded on 16 October 1969 and is registered in Istanbul/ Turkey according to Turkish Commercial Code. The Company has been quoted in the Borsa İstanbul A.Ş ("BİAŞ"), former title İstanbul Menkul Kıymetler Borsası ("İMKB"), since 2000. The Group's immediate and ultimate parent companies are T. Şişe ve Cam Fabrikaları A.Ş. and Türkiye İş Bankası A.Ş., respectively.

The Head Office and the Shareholder Structure of the Company

The shareholder structure of the Company is presented in Note 27.

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Trade Register Information of the Company

Registered at: İstanbul Ticaret Sicil Memurluğu

Registry No: 495852/443434

Mersis No (Central) : 0-7720-0234-9800013

Employee Structure of the Group

	31 December 2014	31 December 2013
White Collar	630	697
Blue Collar	920	983
Total	**1.550**	**1.680**

The 47 employees who are counted in the total number of employee in the Group comprise of the employee of Joint Venture that are evaluated by the equity method. (31 December 2013: 47 Employees)

Consolidated subsidiaries

The nature of the businesses, the respective business segments of the consolidated subsidiaries are as follows:

Subsidiaries	Nature of Business	Registered Country
Şişecam Soda Lukavac d.o.o.	Soda manufacturing	Bosnia Herzegovina
Şişecam Bulgaria EOOD	Trading of soda products	Bulgaria
Cromital S.p.A.	Chrome derivatives	Italy
Şişecam Chem Investment BV	Investing	Holland

Joint Ventures	Nature of Business	Registered Country
Oxyvit Kimya San. ve Tic. A.Ş.	Vitamin-K manufacturing	Turkey

Associates	Nature of Business	Registered Country
Solvay Şişecam Holding AG	Investing	Austria

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

	31 December 2014		31 December 2013	
Company Name	Direct and indirect ownership (%)	Proportion of ownership (%)	Direct and indirect ownership (%)	Proportion of ownership (%)
Subsidiaries				
Şişecam Soda Lukavac d.o.o.	89,30	88,82	89,30	88,82
Asmaş Ağır San. Mak. A.Ş.(*)	-	-	84,98	84,98
Şişecam Bulgaria EOOD	100,00	99,46	100,00	99,46
Dost Gaz Depolama A.Ş. (**)	-	-	84,94	84,94
Cromital S.p.A.	99,50	98,96	99,50	98,96
Şişecam Chem Investment BV	99,46	99,46	99,46	99,46
Joint Ventures				
Oxyvit Kimya San. ve Tic. A.Ş.	44,00	44,00	44,00	44,00
Associates				
Solvay Şişecam Holding AG	25,00	24,86	25,00	24,86

(*) As of 15 July 2014, Asmaş Ağır San. Mak. A.Ş. is sold to CTS Demir Çelik İç ve Dış Ticaret Mühendislik Mak. San. Ltd. Şti. .

(**) Dost Gaz Depolama A.Ş was sold to T. Şişe ve Cam Fabrikaları A.Ş as of 14 April 2014.

2. Basis of Presentation of Consolidated Financial Statements

2.1 Basis of Presentation

The accompanying year end consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("CMB") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, interim consolidated financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA") Turkish Accounting Standards Boards.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the consolidated financial statements of the Group have been prepared accordingly.

The Company (and its subsidiaries and joint ventures registered in Turkey) maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. Subsidiaries and associates operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The interim consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. These interim consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/TFRS.

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 consolidated are expressed in Turkish Lira ("TRY"), which is the functional of the Company and the presentation currency of the Group.

Restatement of Financial Statements in Hyperinflationary Periods

In accordance with the CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, IAS 29. Financial Reporting in Hyperinflationary Economies is not applied in the accompanying consolidated financial statements.

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

Going Concern

The consolidated financial statements including the accounts of the parent company, its subsidiaries and joint ventures have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

Comparatives and restatement of prior periods' financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current year consolidated financial statements.

Financial statements of foreign subsidiaries

Financial statements of subsidiaries, associates and joint ventures operating in foreign countries are prepared in accordance with the legislation of the country in which they operate and assets and liabilities in financial statements prepared according to the Group's accounting policies are translated into TRY from the foreign exchange rate at the balance sheet date whereas income and expenses are translated into TRY at the average foreign exchange rate. Exchange differences arising from the translation of the opening net assets of foreign undertakings and differences between the average and balance sheet date rates are recognized in the currency translation differences, under equity.

Foreign currencies and exchange rates of the countries where a significant portion of the Group's foreign operations performed are summarized below:

	31 December 2014		31 December 2013	
Currency	Period End	Period Average	Period End	Period Average
USD	2,31890	2,18652	2,13430	1,90334
EUR	2,82070	2,90423	2,93650	2,52904
Bulgarian Leva	1,44220	1,48491	1,50141	1,29308
Bosnian Mark	1,44220	1,48491	1,50141	1,29308

Consolidation Principles

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards applying uniform accounting policies and presentation. The results of subsidiaries and joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

Subsidiaries

Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

Subsidiaries are companies over which the parent company controls the financial and operating policies for the benefit of the parent company, 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, it has the power to exercise its actual control over the financial and operating policies.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Note 1 sets out all subsidiaries included in the scope of consolidation and shows their ownership and effective interests rates as of 31 December 2014 and 31 December 2013.

Subsidiaries are included into consolidation from the date on which the control is transferred to the Group and left out of the scope of consolidation from the date that control ceases. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The result of operations of Subsidiaries and Joint Ventures are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of disposing respectively.

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 equity. Intercompany transactions and balances between the Company and its Subsidiaries are eliminated during the consolidation. The cost of, and the dividends arising from, shares held by the Company in its Subsidiaries are eliminated from equity and income for the period, respectively.

The non-controlling shareholders' share in the net assets of consolidated subsidiaries are separately classified in Group's equity. The non-controlling interests consist of shares from the initial business combinations and the non-controlling shares from the changes in equity after the business combinations date.

Subsidiaries, of which financial statements and operating results, either individually or cumulatively not material with respect to consolidated financial statements as of 31 December 2014, are not included in the scope of consolidation, but classified as available-for-sale financial assets (Note 7).

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 the Company and one or more joint venture partners. The company exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly held by itself. The table in Note 1 sets out all Joint Ventures included in the scope of consolidation and shows their ownership and effective interests as of 31 December 2014 and 31 December 2013. Joint ventures are accounted for under equity accounting method.

Associates

Associates are companies in which the Group has an interest which is more than 20% and less than 50% of the voting rights and over which a significant influence is exercised. The equity method is used for accounting of investments at associates.

Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Whereas unrealized losses are also adjusted if they are not an indication of impairment in transferred assets. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables or the significant influence ceases the Group does not continue to apply the equity method, unless it has incurred obligations or made payments on behalf of the associate. Subsequent to the date of the cessation of the significant influence the investment is carried either at fair value when the fair values can be measured reliably or otherwise at cost when the fair values cannot be reliably measured.

Due to the fact that the income and expense of Joint ventures and associates are segments of the activities that are the main activities of the Group, the account which is "Income from associate" is presented as a part of the "Operating Profit" in the consolidated statement of profit and loss.

Available-for-sale investments

Available-for-sale investments, in which the Group has controlling interests equal to or above 20%, or over which are either immaterial or where a significant influence is not exercised by the Group, that do not have quoted market prices in active markets and whose fair values cannot be reliably measured are carried at cost less any provision for impairment.

Available-for-sale investments, in which the Group has an interest that is below 20% or in which a significant influence is not exercised by the Group, that have quoted market prices in active markets and whose fair values can be reliably measured, are carried in the financial statements at their fair value.

2.2 Statement of Compliance to TAS/TFRS

The Group prepared its consolidated interim financial statements for the period ended 31 December 2014 in the framework of the Communiqué Serial: II and numbered 14.1 and its related announcements. The consolidated financial statements and its accompanying notes are presented in compliance with the formats recommended by CMB, including required disclosures.

2.3 Significant Changes in the Accounting Policies

Material changes in accounting policies are corrected, retrospectively; by restating the prior periods' consolidated financial statements. The accounting policies used in the preparation of these consolidated financial statements for the year ended 31 December 2014 are consistent with those used in the preparation of financial statements for the years ended 31 December 2013.

2.4 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. The accounting estimates used in the preparation of these consolidated financial statements for the interim period 31 December 2014 are consistent with those used in the preparation of financial statements for the year ended 31 December 2013.

Detected material errors in accounting are applied, retrospectively by restating the prior period consolidated financial statements.

2.5 Amendments in International Financial Reporting Standards ("IFRS")

The Group has applied new standards, amendments and interpretations to existing standards published by IASB and IFRIC that are effective as at 1 January 2014 and are relevant to the Group's operations. There are no relevant amendments or interpretations for the Group which have been enforced as of 1 January 2014 and in interim periods to 31 December 2014.

a. Amendments to published standards and interpretations effective as at 31 December 2014

- Amendment to TAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in TAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- Amendments to TAS 36, 'Impairment of assets', on recoverable amount disclosures effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- Amendment to TAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives continuing designation for hedge and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument.
- TFRIC 21, 'Levies', effective from annual periods beginning on or after 1 January 2014. This interpretation is on TAS 37, 'Provisions, contingent liabilities and contingent assets'. TAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.
- Amendments to TFRS 10, 'Consolidated financial statements', TFRS 12 and TAS 27 for investment entities, effective from annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made TFRS 12 to introduce disclosures that an investment entity needs to make.

b. The new standards, amendments and interpretations introduced to the prior Financial Statements as of 31 December 2014, however interpretations issued but not yet effective

- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:
  - TFRS/IFRS 2, 'Share-based payment'
  - TFRS/IFRS 3, 'Business Combinations'
  - TFRS/IFRS 8, 'Operating segments'
  - TFRS/IFRS 13, 'Fair value measurement'
  - TAS/IAS 16, 'Property, plant and equipment' and TAS 38,'Intangible assets'
  - TFRS/IFRS 9, 'Financial Instruments: TAS/IAS 37, Provisions, Contingent Assets and Liability'
  - TAS/IAS 39, Financial instruments - Recognition and measurement'
- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-13 cycle of the annual improvements project, that affect 4 standards:
  - TFRS/IFRS 1, 'First time adoption'
  - TFRS/IFRS 3, 'Business combinations'
  - TFRS/IFRS 13, 'Fair value measurement' and
  - TAS/IAS 40, 'Investment property'.
- TFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. TFRS 14, 'Regulatory deferral accounts' permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS. However, to enhance comparability with entities that already apply TFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.
- Amendment to TFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendment to TAS 16, 'Property, plant and equipment' and TAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- Amendments to TAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to TFRS 10, 'Consolidated financial statements' and TAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in TFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- TFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2017. TFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.
- TFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- Amendments to IAS 16 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
  - IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
  - IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
  - IAS 19, 'Employee benefits' regarding discount rates.
  - IAS 34, 'Interim financial reporting' regarding disclosure of information.

The Group is going to evaluate the effectiveness of alterations which could be seen above to operations of the Group's companies, the Group is going to implement these alterations from the date of validity. The implementation of standards and comments that could be seen above is not expected to cause significant effect on the consolidated financial statements.

2.6 Summary of Significant Accounting Policies

Revenue recognition

Revenues are recognized on an accrual basis at the fair values of consideration received or receivable incurred or to be incurred. Net sales represent the invoiced value of trading goods and services given, less sales discounts and returns. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized in the period on an accrual basis as financial income (Note 28, 31).

Sales of Goods

Revenue obtained from the sales of the goods is accounted for when the conditions below are met:

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

Revenue generated from electricity sales, is recognized on an accrual basis, when electricity is delivered.

Interest Income

Interest income is accrued using the effective interest method which brings the remaining principal amount and expected future cash flows to the net book value of the related deposit during the expected life of the deposit.

Dividend Income

Dividend income is recorded as income of the collection right transfer date. Dividend payables are recognized in the period that the profit distribution is declared.

Inventory

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, direct labour and an appropriate amount for factory overheads. The cost of borrowings is not included in the costs of inventories. 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. Inventories consist of raw material, semi-finished goods, finished goods, operating materials, commercial goods and other stocks (Note 13).

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

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value.

Assets to be used for administrative purposes, or used in the production of goods and services and are in the course of construction are carried at cost, less any recognized impairment loss. 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.

Cost amounts of property, plant and equipment assets excluding land and construction in progress are subject to amortization by using the straight-line method in accordance with their expected useful life. There is no depreciation allocated for lands due to indefinite useful lives. Lands that are used to extract of salt from soil are classified to land improvements and are depreciated when the assets are ready for their intended use. Expected useful life, residual value and amortization method are evaluated every year for the probable effects of changes arising in the expectations and are accounted for prospectively (Note 18).

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

	Useful Life
Land improvements	5-50 years
Buildings	10-50 years
Machinery and equipment	2-25 years
Vehicles	4-15 years
Furniture and fixtures	2-20 years
Leasehold improvements	3-15 years

Property, plant and equipment are reviewed for probable impairment losses. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset net selling price or value in use. The value which is either the price it would fetch if sold, or its value to the Company when used, whichever is the larger figure.

Costs of property plant and equipment are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statements of income during the financial period in which they were incurred.

Gain or losses on disposal of property, plant and equipment are included in the related operating income or expense line item and are determined as the difference between the carrying value and amounts received.

Intangible Assets

Intangible assets acquired

Intangible assets 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 year and the effect of any change in the estimate is accounted for on a prospective basis. Purchase costs are included in the related assets and are amortized at between 3 and 5 years based on their economic lives (Note 19).

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3 - 5 years).

Costs associated with developing or maintaining computer software programs are recognized in the comprehensive income statement as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Software development costs include employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years) (Note 19).

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset and their fair value can be measured reliably. Cost of such intangible assets is the fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets acquired separately (Note 19).

Impairment of Assets

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value when the events use or sold. 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 when used or sold. An impairment loss is recognised immediately in the comprehensive statement of income.

The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognised impairment loss shall not exceed the carrying amount of the asset (net of amortization amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted for in the comprehensive statement of income.

Leases

a) The Group as the lessee

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

b) The Group as the lessor

Operating leases

Assets leased out under operating leases, excluding land and investment properties, are included in property, plant and equipment in the consolidated balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognized in the consolidated statement of income on a straight-line basis over the lease term.

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 statement of income over the period of the borrowings (Note 8 and 33).

In case of foreign exchange income in the financing activities, the related income is deducted from the total of capitalized financial expenses.

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 the profit or loss in the period in which they are incurred.

Foreign exchange differences relating to borrowings, to the extent that they are regarded as an adjustment to interest costs, are also capitalized. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

Related Parties

For the purpose of these consolidated financial statements, shareholders, key management personnel (general managers, head of group, vice general managers, vice head of group and factory managers) and Board members and their families, 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 (Note 37).

Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting.

Financial assets

Classification

The group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets and held to maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. Those with maturities greater than 12 months are classified as non-current assets. The Group's receivables are classified as "trade and other receivables" in the balance sheet (Note 10 and 11).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the related investments within 12 months of the balance sheet date (Note 7).

Held to maturity financial assets

Debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity, excluding the financial assets classified as originated loans and advances to customers are classified as "held-to-maturity financial assets". Held-to-maturity financial assets are carried at amortized cost using the effective yield method (Note 7).

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Loans and receivables are carried at amortized cost using the effective yield method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analyzed for translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in the income statement; translation differences on non-monetary securities are recognized in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in equity. Held-for-trading derivative financial instruments are initially recognized in the consolidated financial statements at cost and are subsequently measured at their fair value. Changes in the fair values of held-for-trading derivative financial instruments are included in the consolidated statements of income. Dividends on available-for sale equity instruments are recognized in the statement of income as part of financial income when the Group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models. If the market for a financial asset is not active and the fair value of the financial asset cannot be measured reliably, aforementioned financial assets are accounted for cost minus impairment in the consolidated financial statements.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the statement of income. Impairment losses recognized in the statement of income on equity instruments cannot be associated with the statement of income during following periods.

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 operating income (Note 10).

Foreign exchange gain or loss and interest gain or loss which are relevant with trade balance are accounted into the "Other Operating Income or Expense" which are located in the consolidated income statement (Note10,31).

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 6). Bank deposits with original maturities of more than three months are classified under short-term financial investments (Note7).

Financial liabilities

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

Financial liabilities are classified as either equity instruments or other financial liabilities.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis (Note 8).

The effective interest method calculates 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 payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 10).

Business combinations and Goodwill

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

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquired business and in addition, any costs directly attributable to the business combination. The cost of the business combination at the date of the acquisition is adjusted if a business combination contract includes clauses that enable adjustments to the cost of business combination depending on events after acquisition date, and the adjustment is measurable more probable than not. Costs of the acquisition are recognized in the related period. Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire and the fair value of the non-controlling interest in the acquire. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Legal mergers of entities controlled by the Group are not considered within the scope of IFRS 3. Consequently, no goodwill is recognized in these transactions. Similarly, the effects of all such transactions between the parties, are eliminated in the preparation of the consolidated financial statements.

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. For 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 recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

Foreign Currency Transactions

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

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (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.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRY using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation differences. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at closing rates.

Earnings per share

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

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are 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 (Note 36).

Events after the balance sheet date

The Group adjusts the amounts recognized in its financial statements to reflect adjusting events occurring after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

Provisions, Contingent Assets and Liabilities

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 the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

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 (Note 22).

Onerous contracts

A contract is considered onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received by the Group.

Present obligations arising under onerous contracts are measured and recognized as a provision.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities (Note 15).

Segment reporting

The Group has 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-energy-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.

For an operating segment to be identified as a reportable segment, its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments; the absolute amount of its profit or loss is 10% or more of the combined profit or loss or its assets are 10% or more of the combined assets of all operating segments.

Government 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 (Note 21).

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity (Note 35). In such case, the tax is recognized in shareholders' equity.

The current year tax on income is calculated for the Group's subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

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 are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

Employee Benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Group is obliged to pay employment termination benefit to all personnel in cases of termination of employment without due cause, call for military service, retirement or death upon the completion of a minimum one year service. The provision which is allocated by using the defined benefit pension's current value is calculated by using the estimated liability method. All actuarial profits and losses are recognized in the consolidated statements of income (Note 24).

Statement of Cash Flows

The Group prepares statements of cash flows as an integral part of its financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Dividends

Dividend income is recognized by the Group at the date the right to collect the dividend is realized. Dividend payables are recognized in the period profit distribution is declared.

Construction Contracts

Contract costs are recognized as expenses in the period in which they are 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 may 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 end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year 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 other assets. 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) under other liabilities.

2.7 Significant Accounting Estimates and Assumptions

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below :

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither an accounting nor taxable profit/ (loss). The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, current period losses, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations.

As a result of the evaluations, there is no deferred income tax asset amount existing as of 31 December 2014 (31 December 2013: TRY5.677.708) results from temporary differences as of 31 December 2014 that are arising from the tax allowances and can be used as long as the tax allowances continue (Note 35). The Company benefits from "reduced corporate tax rate" within the framework of Article 32/A of Corporate Income Tax law No.5520. As of 31 December 2014, the Company has recognized deferred tax assets amounting to TRY 26.598.840 (31 December 2013: TRY 26.428.749), based on the assumption that sufficient future taxable profits will be generated in the future to utilize these tax incentives (Note 35).

3. Business Combinations

None.

4. Interests in Other Entities

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

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

5. Segment Reporting

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

1 January-31 December 2014	Chrome Derivatives	Soda Derivatives, Energy and Other	Total	Consolidation eliminations	Consolidated
Revenue	401.891.628	1.204.914.018	1.606.805.646	(122.772)	1.606.682.874
Cost of sales (-)	(241.027.793)	(971.357.971)	(1.212.385.764)	2.985.530	(1.209.400.234)
Gross profit	160.863.835	233.556.047	394.419.882	2.862.758	397.282.640
Purchases of property, plant and equipment and intangibles	5.960.670	98.191.429	104.152.099	(199.261)	103.952.838
Depreciation and amortisation	(15.355.789)	(80.462.876)	(95.818.665)	3.023.999	(92.794.666)

1 January-31 December 2013	Chrome Derivatives	Soda Derivatives, Energy and Other	Total	Consolidation eliminations	Consolidated
Revenue	378.819.547	1.037.465.296	1.416.284.843	(12.386.059)	1.403.898.784
Cost of sales (-)	(228.826.565)	(898.270.868)	(1.127.097.433)	11.633.573	(1.115.463.860)
Gross profit	149.992.982	139.194.428	289.187.410	(752.486)	288.434.924
Purchases of property, plant and equipment and intangibles	11.856.064	103.044.136	114.900.200	(5.689.031)	109.211.169
Depreciation and amortisation	(16.329.832)	(74.360.255)	(90.690.087)	2.596.702	(88.093.385)

- Assets are not reported by operating segments.

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

1 January-31 December 2014	Turkey	Europe	Total	Consolidation eliminations	Consolidated
Revenue (*)	1.267.162.838	339.642.808	1.606.805.646	(122.772)	1.606.682.874
Purchases of property, plant and equipment and intangibles	44.603.083	59.549.016	104.152.099	(199.261)	103.952.838
Depreciation and amortisation	(68.743.656)	(27.075.009)	(95.818.665)	3.023.999	(92.794.666)
Total Assets (31 December 2014)	**2.011.401.728**	**624.448.058**	**2.635.849.786**	**(514.506.313)**	**2.121.343.473**

1 January-31 December 2013	Turkey	Europe	Total	Consolidation eliminations	Consolidated
Revenue (*)	1.154.926.379	261.358.464	1.416.284.843	(12.386.059)	1.403.898.784
Purchases of property, plant and equipment and intangibles	70.400.201	44.499.999	114.900.200	(5.689.031)	109.211.169
Depreciation and amortisation	(69.052.981)	(21.637.106)	(90.690.087)	2.596.702	(88.093.385)
Total Assets (31 December 2013)	**1.732.277.462**	**581.755.502**	**2.314.032.964**	**(533.565.988)**	**1.780.466.976**

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

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

6. Cash and Cash Equivalents

	31 December 2014	31 December 2013
Cash on hand	21.863	25.178
Cash in banks	648.385.841	223.971.255
- Demand deposits	10.506.674	11.879.934
- Time deposits (with maturities of three months or less)	637.879.167	212.091.321
Cash in transit	62.970	-
Investment funds	-	14.740
	648.470.674	**224.011.173**

Time deposits

Currency	Interest Rate (%)	Maturity	31 December 2014
BGN	0,50	January 2015	8.951.937
TRY	9,00-10,15	Overnight-January 2015	47.028.522
EUR	1,25-1,80	Overnight-February 2015	215.674.041
USD	1,25-2,10	Overnight-February 2015	366.224.667
			637.879.167

Currency	Interest Rate (%)	Maturity	31 December 2013
BGN	3,30	January 2014	2.544.890
TRY	8,30	Overnight	1.621.007
EUR	0,50-2,80	Overnight-February 2014	25.546.085
USD	0,50-3,10	Overnight-February 2014	182.379.339
			212.091.321

Cash and cash equivalents in the consolidated cash flows as of 31 December 2014 and 31 December 2013 are as follows;

	31 December 2014	31 December 2013
Cash and cash equivalents	648.470.674	224.011.173
Less: Interest accruals	(661.789)	(276.252)
	647.808.885	**223.734.921**

7. Financial Investments

a) Current financial investments

Bank deposits with maturities more than 3 months	Currency	Interest Rate (%)	Maturity	31 December 2014	31 December 2013
Time deposits	BAM	2,60	September 2015	721.100	750.705

b) Non-current financial investments

	31 December 2014	31 December 2013
Available for sale financial assets	8.226.209	26.989.819
	8.226.209	**26.989.819**

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

Available for sale financial assets	Share %	31 December 2014	Share %	31 December 2013
Listed financial investments:				
Denizli Cam San. Tic. A.Ş. [1]	16,22	8.183.295	16,22	5.799.339
		8.183.295		5.799.339
Other financial investments:				
Paşabahçe Cam San. ve Tic. A.Ş. [2]	-	-	4,41	20.948.535
Şişecam Shanghai 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. [3]	0,02	-	0,02	188.233
Other [4]	-	-	-	10.798
Provision for impairment (-)		(655.448)		(655.448)
		42.914		21.190.480
		8.226.209		**26.989.819**

[1] Shares of this company are listed on Borsa İstanbul A.Ş. ("BİAŞ") and the Group has valued such equity shares under the securities available for sale investments with market prices of BİAŞ. As a result of this valuation, the Group has accounted TRY 2.383.956 of valuation increase by offsetting against TRY 199.557 of deferred tax liability due to this valuation decrease in under other comprehensive income (31 December 2013: TRY 3.094.278 valuation decrease and TRY 235.074 deferred tax asset).

[2] The share of Pasabahçe Cam Sanayii ve Ticaret A.S. that's par value is TRY 9.511.916 were sold to European Bank For Reconstruction and Development (EBRD) for EUR 35.713.923,12.

[3] Nemtaş Nemrut Liman İşletmeleri A.Ş sold to Camiş Yatırım Holding A.Ş. on1 July 2014.

[4] The balance has been extracted since it exists in the portfolio of Asmaş Sanayi Makinaları A.Ş. subsidiary company which is sold in 15 July 2014.

Current year movements in the value of available for sale financial assets are as follows:

	2014	2013
Opening balance, 1 January	26.989.819	30.084.097
Change in fair value	2.383.956	(3.094.278)
Disposals	(21.147.566)	-
Closing balance, 31 December	**8.226.209**	**26.989.819**

8. Borrowings

Current financial liabilities	31 December 2014	31 December 2013
Short-term bank borrowings	25.016.388	27.192.860
- Due to related parties	*23.226.166*	*24.239.067*
- Other financial liabilities	*1.790.222*	*2.953.793*

Short term portion of long term bank borrowings	31 December 2014	31 December 2013
Short term portion of long term borrowings' installment and interest on principal	32.939.106	57.518.164
- Due to related parties	*12.102.273*	*34.695.983*
- Other financial liabilities	*20.836.833*	*22.822.181*
Financial liabilities due to related parties (Note 37)	238.102	520.210
Total short term portion of long term bank borrowings	33.177.208	58.038.374
Total current financial liabilities	**58.193.596**	**85.231.234**

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

Non-current financial liabilities	31 December 2014	31 December 2013
Long term portion of long term bank borrowings	111.987.117	125.922.230
- Due to related parties	*17.097.084*	*28.020.646*
- Other financial liabilities	*94.890.033*	*97.901.584*
Financial liabilities due to related parties (Note 37)(*)	115.335.414	105.982.576
Total non-current financial liabilities	**227.322.531**	**231.904.806**
Total financial liabilities	**285.516.127**	**317.136.040**

(*) On 09.05.2013 T.Şişe ve Cam Fabrikaları A.Ş. , issued USD 500.000.000 notes with seven year maturity due May 2020. The fixed interest rate for notes is 4,25% (effective interest rate: 4,415%) and the principle is due on maturity date. After the issuance of bonds, USD 50.000.000 was transferred to Group and the Group has individually guaranteed payments of principle, interest and other liabilities for the same amount.

As of balance sheet date, risk of changes in interest rates on loans and contractual repricing dates of the Group as follows:

Repricing periods for loans	31 December 2014	31 December 2013
Less than 3 months	34.484.623	41.422.845
Within 3 - 12 months	23.470.871	43.288.179
Within 1 - 5 years	98.576.973	106.456.870
5 years and more	13.410.144	19.465.360
	169.942.611	**210.633.254**

The impact of discounting is not significant due to given interest rates for short-term loans and their carrying values approximate their fair values. The fair values are determined using the weighted average effective annual interest rates. The long-term financial liabilities are generally subject to repricing within three and six months periods and a large amount of those liabilities consists of foreign currency denominated loans. Therefore, it is expected that the carrying value of the financial liabilities that are calculated by effective interest rate method approximate to their fair values.

The movement schedule of the borrowings of the company between 1 January - 31 December 2014 is as follows:

Bank Borrowings	Principal	Interest	Commission	Total
Opening balance, 1 January	209.820.445	1.848.684	(1.035.875)	210.633.254
Currency translation differences	(6.362.654)	(56.789)	32.845	(6.386.598)
Foreign exchange gain/(loss)	1.393.819	-	-	1.393.819
Liability reserve within period	44.823.248	6.560.739	-	51.383.987
Reversal of provision within period	(80.342.479)	(7.017.632)	278.260	(87.081.851)
Balance at 31 December 2014	**169.332.379**	**1.335.002**	**(724.770)**	**169.942.611**

Financial liabilities due to related parties	Principal	Interest	Issuance differences	Commission	Total
Opening balance, 1 January	106.715.000	656.347	(606.524)	(262.037)	106.502.786
Currency translation differences	-	-	-	-	-
Foreign exchange gain/(loss)	9.230.000	-	-	-	9.230.000
Liability reserve within period	-	4.322.627	-	-	4.322.627
Reversal of provision within period	-	(4.601.688)	78.954	40.837	(4.481.897)
Balance at 31 December 2014	**115.945.000**	**377.286**	**(527.570)**	**(221.200)**	**115.573.516**

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

The movement schedule of the borrowings of the company between 1 January - 31 December 2013 is as follows:

Bank Borrowings	Principal	Interest	Commission	Total
Opening balance, 1 January	173.522.439	1.489.643	-	175.012.082
Currency translation differences	32.246.781	209.657	(143.732)	32.312.706
Foreign exchange gain/(loss)	9.874.007	-	-	9.874.007
Liability reserve within period	247.570.903	7.269.146	(892.143)	253.947.906
Reversal of provision within period	(253.393.685)	(7.119.762)	-	(260.513.447)
Balance at 31 December 2013	**209.820.445**	**1.848.684**	**(1.035.875)**	**210.633.254**

Financial liabilities due to related parties	Principal	Interest	Issuance differences	Commission	Total
Opening balance, 1 January	-	-	-	-	-
Currency translation differences	-	-	-	-	-
Foreign exchange gain/(loss)	17.025.000	-	-	-	17.025.000
Liability reserve within period	89.690.000	2.813.859	(659.222)	(289.261)	91.555.376
Reversal of provision within period	-	(2.157.512)	52.698	27.224	(2.077.590)
Balance at 31 December 2013	**106.715.000**	**656.347**	**(606.524)**	**(262.037)**	**106.502.786**

Short and long-term bank borrowings are summarized as below:

31 December 2014

Currency	Maturity	Interest Range (%)(*)	Current	Non-current
USD	2015-2019	Libor + 4,50	3.904.990	13.067.513
EUR	2015-2020	Euribor + 1,80-6,00	54.032.274	98.919.604
TRY	2014	-	18.230	-
			57.955.494	**111.987.117**

(*) The weighted average interest rate for EUR is Euribor + 2,78% for USD is Libor + 4,50%. (Average effective annual interest rate for EUR is 3,55%, for USD is 4,26%).

31 December 2013

Currency	Maturity	Interest Range (%)(*)	Current	Non-current
USD	2014-2019	Libor + 3,25-4,50	5.911.481	15.435.646
EUR	2014-2020	Euribor + 1,12-6,00	78.658.276	110.486.584
TRY	2014	-	141.267	-
			84.711.024	**125.922.230**

(*) The weighted average interest rate for EUR is Euribor + 3,26% for USD is Libor + 4,35% (Average effective annual interest rate for EUR is 3,50% and for USD is 4,37%).

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

The repayment schedule of the financial liabilities is as follows:

	31 December 2014	31 December 2013
Within 1 year	58.193.596	85.231.234
Within 1-2 years	32.922.030	33.024.295
Within 2-3 years	28.949.886	29.893.921
Within 3-4 years	21.950.077	25.439.952
Within 4-5 years	14.754.980	18.098.702
5 years and more	128.745.558	125.447.936
	285.516.127	**317.136.040**

9. Other Financial Liabilities

None (31 December 2013 : None).

10. Trade Receivables and Payables

Trade Receivables

Current Trade Receivables	31 December 2014	31 December 2013
Trade receivables	220.601.603	212.399.033
Notes receivable	7.605.559	8.272.949
Rediscount of notes receivable (-)	(365.198)	(222.740)
Trade receivables due from related parties (Note 37)	27.383.864	31.916.903
Allowances for doubtful trade receivables (-)	(486.889)	(828.218)
	254.738.939	**251.537.927**

Intra-group sales of soda product payment term is 30 days and for other sales, average term is 43 days (31 December 2013: 43 days). For overdue payments; interest rate of 2% is charged to customers on a monthly basis (31 December 2013: 2%). Average sale term for domestic sales of chrome products is 29 days on a foreign currency basis (31 December 2013: 25 days). Interest of 1% is charged for overdue payments on a monthly basis (31 December 2013: 1%). For export sales, the average term is 63 days (31 December 2013: 60 days).

The Group has recognized a 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 loan loss provision is required in excess of the allowance for doubtful debts.

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

	2014	2013
Opening balance, 1 January	(828.218)	(1.275.487)
Foreign currency translation differences	3.184	(16.081)
Charge for the period	-	(465.041)
Provisions released	338.145	928.391
Closing balance, 31 December	**(486.889)**	**(828.218)**

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

The Group holds the following collaterals for trade receivables is as follows:

	31 December 2014	31 December 2013
Guarantee letter	39.980.683	37.892.837
Eximbank export insurance	84.375.529	102.112.419
Commercial letter of credit	5.434.557	2.503.420
Factoring	1.739.175	419.134
Mortgages	197.033	220.000
Other	1.662.070	2.284.018
	133.389.047	**145.431.828**

As of 31 December 2014, TRY 11.549.738 (31 December 2013: TRY 14.335.417) of trade receivable amount was past due but not impaired. This is related to various independent customers with no recent history of default. The aging analysis of trade receivable amounts is as follows:

	31 December 2014	31 December 2013
Overdue up to one month	8.367.409	10.716.027
Overdue for 1-3 months	2.403.348	2.075.370
Overdue for 3-12 months	429.345	1.318.604
Overdue for 1-5 years	349.636	225.416
Total overdue receivables	**11.549.738**	**14.335.417**
The part under guarantee with collateral etc.	(5.894.279)	(11.642.015)

At 31 December 2014, there are no non-current receivables (31 December 2013:None).

Trade Payables

Current Trade Payables	31 December 2014	31 December 2013
Trade payables	142.900.393	122.339.872
Due to related parties (Note 37)	35.081.060	24.879.749
Other trade payables	496.611	209
Rediscount of notes payable	(669.553)	(356.402)
	177.808.511	**146.863.428**

Chromite and Anthracite purchases are on cash basis (31 December 2013: Cash basis). Average payment period for other trade payables is 30-45 days (31 December 2013: 30-45 days). Corporate risk management policies are in place to ensure that all of the payables are paid within payment terms.

At 31 December 2014, there are no non-current receivables (31 December 2013:None).

11. Other Receivables and Payables

Other current receivables	31 December 2014	31 December 2013
Other receivables from related parties (Note 37)	4.333.632	143.802.469
Due from personnel	38.711	43.992
Deposits and guarantees given	1.732.788	1.009.574
Other current receivables	205.588	518.564
Power transmission line investment (*)	778.075	3.991.260
Allowance for other receivables	(33.512)	(310.114)
	7.055.282	**149.055.745**

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

The movement of allowance for the other receivables is as follows:

	2014	2013
Opening balance, 1 January	(310.114)	(255.029)
Allowance for the period	(6.660)	(55.085)
Allowance canceled for the period	283.262	-
Closing balance, 31 December	**(33.512)**	**(310.114)**

Other non-current receivables	**31 December 2014**	**31 December 2013**
Deposits and guarantees given	120.440	172.811
	120.440	**172.811**

(*) As of 31 December 2014, power line transmission investment consists of amounts paid to connect the plant to the national grid, which will be offset against future "Grid Usage Charge" payment to TEİAŞ.

Other current payables	**31 December 2014**	**31 December 2013**
Due to related parties (Note 37)	25.943.124	16.531.472
Deposits and guarantees received	5.595.271	2.669.450
Other current payables	1.038.863	913.326
	32.577.258	**20.114.248**

Other non-current payables	**31 December 2014**	**31 December 2013**
Other non-current payables	904.548	173.762
	904.548	**173.762**

12. Derivative Financial Instruments

None (31 December 2013 : None).

13. Inventories

	31 December 2014	**31 December 2013**
Raw materials	72.933.326	77.630.424
Work in process	1.899.638	2.218.826
Finished goods	57.216.809	48.379.374
Trade goods	2.277.465	2.042.945
Goods in transit	36.612.316	2.587.988
Other inventories	2.792.173	3.925.055
Allowance for diminution in value of inventories (-)	(16.002)	(16.659)
	173.715.725	**136.767.953**

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

The movements of allowance for diminution in value of inventories	**2014**	**2013**
Opening balance, 1 January	(16.659)	(25.262)
Foreign currency translation differences	657	(4.214)
Disposal for the period	-	27.164
Provision for period	-	(14.347)
Closing balance, 31 December	**(16.002)**	**(16.659)**

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

14. Prepaid Expenses and Deferred Revenue

Current prepaid expenses	31 December 2014	31 December 2013
Advances given	3.125.929	3.754.965
Prepaid expense	2.381.690	1.397.585
	5.507.619	**5.152.550**

Non-current prepaid expenses	31 December 2014	31 December 2013
Advances given	21.690.919	1.822.831
Prepaid expense	11.641.124	89.887
	33.332.043	**1.912.718**

Current deferred revenue	31 December 2014	31 December 2013
Advances received	4.145.561	8.582.836
Short term deferred revenue	-	208.140
	4.145.561	**8.790.976**

At 31 December 2014, there are no non-current deferred revenues (31 December 2013:None).

15. Construction Contracts

	31 December 2014	31 December 2013
Accumulated contract costs incurred for ongoing work performed	16.805.566	34.419.350
Revenue recognized / less costs recognized (net)	-	-
Less: Progress payments received (-)	(16.805.566)	(24.341.695)
	-	**10.077.655**

Progress payments and costs realized in consolidated financial statements are as follows:

	31 December 2014	31 December 2013
Receivables from ongoing construction contracts (Note 26)	-	10.077.655
Allowance for loss making projects (Note 26)	-	-
	-	**10.077.655**

Since Asmaş Ağır Sanayi Makinaları A.Ş., which is one of the subsidiaries, is sold to non-group company as of 15 July 2014, there is no longer deposit payments (31 December 2013: TRY 3.489.803) or advances received (31 December 2013: TRY 3.391.903) as of 31 December 2014.

The Group uses the 'percentage of completion' method for the accounting of the production of heavy machinery. Percentage of completion rate is calculated as a percentage of total estimated costs for each contract within the period up to the date of the balance sheet and it is measured according to the contract costs. If this ratio had deviated by 1% from the management estimates, revenue would have not changed (31 December 2013: TRY 169.607).

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

16. Joint Ventures and Associates Under Equity Method

Net asset values represented in the balance sheet of the associates that are valued with equity method as follows:

	31 December 2014	31 December 2013
Solvay Şişecam Holding AG	211.424.223	190.997.441
Oxyvit Kimya San. ve Tic. A.Ş.	6.107.856	6.202.885
	217.532.079	**197.200.326**

Movements of the associate that is recognized with equity method during the period are as below:

Solvay Şişecam Holding AG	31 December 2014	31 December 2013
Current assets	353.819.441	379.846.164
Non-current assets	656.133.987	627.288.840
Total assets	**1.009.953.428**	**1.007.135.004**
Current liabilities	97.730.559	182.273.965
Non-current liabilities	49.000.221	45.082.796
Total Liabilities	**146.730.780**	**227.356.761**
Non-controlling interests	17.525.758	15.788.480
Net Assets	**845.696.890**	**763.989.763**
The Group's share in net assets (%)		
- Direct and indirect ownership ratio (%)	25,00	25,00
- Effective ownership ratio (%)	24,86	24,86
The Group's share in net assets	**211.424.223**	**190.997.441**

	1 January- 31 December 2014	1 January- 31 December 2013
Revenue	621.645.366	523.951.172
Profit /(Loss) from continuing operations	190.717.011	120.175.704
Advance dividend payments	36.244.790	18.490.317
Operational income	**226.961.801**	**138.666.021**
Other comprehensive income	(33.439.496)	148.952.090
Total comprehensive income	**193.522.305**	**287.618.111**
The Group's share in profit /(loss) from continuing operations	**56.740.450**	**34.666.505**
Dividends issued on retained earnings	**75.570.388**	**74.605.668**
The Group's share in dividends issued	**27.953.794**	**23.222.923**

Solvay Şişecam Holding AG is an equity established in company Austria Vienna for the purpose of directly and indirectly owning with share of 97.95% and controlling Solvay Sodi AD established in Bulgaria - Devnya region in accordance with the Republic of Bulgaria legislations.

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

Oxyvit Kimya Sanayii ve Tic.A.Ş.	31 December 2014	31 December 2013
Current assets	12.700.925	12.862.015
Non-current assets	10.693.112	10.895.049
Total assets	**23.394.037**	**23.757.064**
Current liabilities	5.685.833	5.769.910
Non-current liabilities	3.826.712	3.889.688
Total Liabilities	**9.512.545**	**9.659.598**
Net Assets	**13.881.492**	**14.097.466**
The Group's share in net assets (%)		
- Direct and indirect ownership ratio (%)	44,00	44,00
- Effective ownership ratio (%)	44,00	44,00
The Group's share in net assets	**6.107.856**	**6.202.885**

	1 January-31 December 2014	1 January-31 December 2013
Revenue	31.446.253	27.775.289
Profit/(Loss) from continuing operations	**3.390.162**	**4.283.762**
Other comprehensive income	24.827	-
Total comprehensive income	**3.414.989**	**4.283.762**
The Group's share in profit /(loss) from continuing operations	**1.491.670**	**1.884.855**
Dividends distributed from retained earnings	**3.630.963**	**3.248.218**
Group share of distributed dividends	**1.597.624**	**1.429.215**

During the Ordinary General Assembly Meeting of Oxyvit Kimya Sanayi Tic. A.Ş. which was held on 24 March 2014, TRY 2.630.963 of the dividend payment was decided to be paid on 15 April 2014 and the rest of the dividend payment amount which represents TRY 1.000.000 was decided to be paid until 31 December 2014. As of 1 September and 19 November 2014 joint venture paid dividend in equal installments.

Movements of the associates during the period are as below:

	2014	2013
Opening balance, 1 January	197.200.326	148.114.155
Income from associates and joint ventures	58.232.120	36.551.360
Dividend income	(29.551.418)	(24.652.138)
Actuarial gain/ (loss) on postemployment termination benefit obligation	10.925	-
Foreign currency translation differences	(8.359.874)	37.186.949
Closing balance, 31 December	**217.532.079**	**197.200.326**

17. Investment Properties

None (31 December 2013 : None).

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

18. Property, Plant and Equipments

	Land	Land improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and fixture	Leasehold improvements	Construction in progress	Total
Cost									
Opening balance, 1 January 2014	37.933.058	150.103.769	117.573.336	1.362.349.741	6.828.701	26.045.934	5.278.016	19.338.795	1.725.451.350
Restatement	-	2.524.709	(2.524.709)	-	-	256.867	(256.867)	-	-
Effect of sales of subsidiaries	(2.650.225)	(545.407)	(6.028.520)	(20.502.636)	(1.173.970)	(2.058.850)			(32.959.608)
Currency translation differences	(823.359)	(540.496)	(2.588.176)	(10.831.952)	(162.185)	(52.639)	(2.637)	(1.157.696)	(16.159.140)
Additions	-	-	418.903	305.065	-	44.445	80.154	103.075.054	103.923.621
Disposals	-	-	-	(43.306)	(175.445)	(134.448)	(104.027)	-	(457.226)
Transfers	15.479.266	10.576.750	12.375.751	35.632.756	293.007	1.286.804	-	(75.644.334)	-
Closing balance, 31 December 2014	**49.938.740**	**162.119.325**	**119.226.585**	**1.366.909.668**	**5.610.108**	**25.388.113**	**4.994.639**	**45.611.819**	**1.779.798.997**
Accumulated depreciation									
Opening balance, 1 January 2014	-	(67.359.383)	(43.553.052)	(849.056.260)	(4.316.443)	(22.535.859)	(4.828.880)	-	(991.649.877)
Restatement	-	8.398	(8.398)	-	(323)	(126.634)	126.957	-	-
Effect of sales of subsidiaries	-	507.326	5.170.104	17.512.452	1.169.139	1.871.235	-	-	26.230.256
Currency translation differences	-	84.425	549.846	4.629.339	90.907	33.068	2.434	-	5.390.019
Charge for the period (*)	-	(16.105.695)	(3.821.170)	(70.489.250)	(524.731)	(1.149.063)	(147.893)	-	(92.237.802)
Disposals	-	-	-	40.179	173.146	132.397	104.027	-	449.749
Closing balance, 31 December 2014	**-**	**(82.864.929)**	**(41.662.670)**	**(897.363.540)**	**(3.408.305)**	**(21.774.856)**	**(4.743.355)**	**-**	**(1.051.817.655)**
Net book value as of 31 December 2014	**49.938.740**	**79.254.396**	**77.563.915**	**469.546.128**	**2.201.803**	**3.613.257**	**251.284**	**45.611.819**	**727.981.342**
Net book value as of 31 December 2013	**37.933.058**	**82.744.386**	**74.020.284**	**513.293.481**	**2.512.258**	**3.510.075**	**449.136**	**19.338.795**	**733.801.473**

(*) Allocation of depreciation expense is disclosed in Note 28 and Note 30.

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

	Land	Land improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and fixture	Leasehold improvements	Construction in progress	Total
Cost									
Opening balance, 1 January 2013	34.386.567	130.094.802	101.706.715	1.212.609.524	5.664.362	25.106.450	5.152.238	33.045.715	1.547.766.373
Restatement	-	387.411	(387.411)	-	-	-	-	-	-
Currency translation differences	4.157.833	2.075.132	11.395.601	48.906.264	771.493	181.983	78.564	2.316.362	69.883.232
Additions	-	5.300	80.856	1.208.429	80.423	162.596	47.214	107.300.762	108.885.580
Disposals	-	-	(59.298)	(412.199)	(441.830)	(170.508)	-	-	(1.083.835)
Transfers	(611.342)	17.541.124	4.836.873	100.037.723	754.253	765.413	-	(123.324.044)	-
Closing balance, 31 December 2013	**37.933.058**	**150.103.769**	**117.573.336**	**1.362.349.741**	**6.828.701**	**26.045.934**	**5.278.016**	**19.338.795**	**1.725.451.350**
Accumulated depreciation									
Opening balance, 1 January 2013	-	(51.042.219)	(37.968.652)	(764.526.451)	(3.886.284)	(21.342.584)	(4.618.538)	-	(883.384.728)
Restatement	-	(41.095)	41.095	-	-	-	-	-	-
Currency translation differences	-	(328.994)	(2.250.483)	(18.825.244)	(415.090)	(116.694)	(47.790)	-	(21.984.295)
Charge for the period (*)	-	(15.947.075)	(3.434.310)	(66.078.321)	(456.899)	(1.245.559)	(162.552)	-	(87.324.716)
Disposals	-	-	59.298	373.756	441.830	168.978	-	-	1.043.862
Closing balance, 31 December 2013	**-**	**(67.359.383)**	**(43.553.052)**	**(849.056.260)**	**(4.316.443)**	**(22.535.859)**	**(4.828.880)**	-	**(991.649.877)**
Net book value as of 31 December 2013	**37.933.058**	**82.744.386**	**74.020.284**	**513.293.481**	**2.512.258**	**3.510.075**	**449.136**	**19.338.795**	**733.801.473**
Net book value as of 31 December 2012	**34.386.567**	**79.052.583**	**63.738.063**	**448.083.073**	**1.778.078**	**3.763.866**	**533.700**	**33.045.715**	**664.381.645**

(*) Allocation of depreciation expense is disclosed in Note 28 and Note 30.

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

19. Intangible Assets

Cost	Rights	Other	Total
Opening balance, 1 January 2014	8.844.420	1.803.794	10.648.214
Reclassification	182.782	698.111	880.893
Effect of sales of subsidiaries	(241.852)	-	(241.852)
Currency translation differences	(7.210)	(98.202)	(105.412)
Additions	29.217	-	29.217
Disposals	-	-	-
Closing balance, 31 December 2014	**8.807.357**	**2.403.703**	**11.211.060**
Accumulated amortization			
Opening balance, 1 January 2014	(7.919.641)	(1.608.535)	(9.528.176)
Reclassification	(182.782)	(698.111)	(880.893)
Effect of sales of subsidiaries	233.084	-	233.084
Currency translation differences	7.210	92.121	99.331
Charge for the period (*)	(500.606)	(56.258)	(556.864)
Disposals	-	-	-
Closing balance, 31 December 2014	**(8.362.735)**	**(2.270.783)**	**(10.633.518)**
Net book value as of 31 December 2014	**444.622**	**132.920**	**577.542**
Net book value as of 31 December 2013	**924.779**	**195.259**	**1.120.038**

Cost	Rights	Other	Total
Opening balance, 1 January 2013	8.669.891	1.306.437	9.976.328
Currency translation differences	-	346.297	346.297
Additions	174.529	151.060	325.589
Disposals	-	-	-
Closing balance, 31 December 2013	**8.844.420**	**1.803.794**	**10.648.214**
Accumulated amortization			
Opening balance, 1 January 2013	(7.290.092)	(1.161.097)	(8.451.189)
Currency translation differences	-	(308.318)	(308.318)
Charge for the period (*)	(629.549)	(139.120)	(768.669)
Disposals	-	-	-
Closing balance, 31 December 2013	**(7.919.641)**	**(1.608.535)**	**(9.528.176)**
Net book value as of 31 December 2013	**924.779**	**195.259**	**1.120.038**
Net book value as of 31 December 2012	**1.379.799**	**145.340**	**1.525.139**

(*) Allocation of amortization expense is disclosed in Note 28 and Note 30.

20. Goodwill

	2014	2013
Opening balance, 1 January	6.918.379	5.540.593
Currency translation differences	(272.824)	1.377.786
Closing balance, 31 December	**6.645.555**	**6.918.379**

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

21. Government Grants and Incentives

Certain expenses regarding industries relating to research and development projects which have been certified by expert organizations are reviewed and evaluated so that a specific proportion of these expenses are considered as grants and provided that repayments is done " capital support" is given. The context of the Decision No: 94/6401 made on the government grants for exporting activities in accordance with the Money Credit Coordination Board's Communiqué No: 98/10 on Research and Development Grants published by the Under Secretariat of Foreign Trade based on the decision No: 98/16 made as at 9 September 1998.

Exporting activities and other foreign currency generating operations, within the scope of the standards determined by the Ministry of Finance and Undersecretaries of Foreign Trade, are exempt from stamp tax and fees. 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.

22. Provisions, Contingent Assets and Liabilities

Short-term provisions	31 December 2014	31 December 2013
Provision for cost expenses	1.189.553	2.062.108
Provision for litigation	1.880.904	2.669.144
Provision for other expenses	5.503.325	1.308.279
	8.573.782	**6.039.531**

Movements in provision for litigation are as follows:

	2014	2013
Opening balance at 1 January	2.669.144	1.993.039
Currency translation differences	(1.671)	-
Period charge	235.781	814.963
Payments in the period/provisions released	(1.022.350)	(138.858)
Closing balance, 31 December	**1.880.904**	**2.669.144**

As of 31 December 2014, the Group management evaluated the views of its legal advisors and estimated, and made provision for litigation against the Group as TRY 1.880.904 (31 December 2013: TRY 2.669.144).

Contingent liabilities as of 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014			
Collaterals, pledge and mortgages given by the Company	**Total (TRY)**	**USD**	**EUR**	**TRY**
A. Given Under the Group's Own Corporate Identity	26.648.228	5.653.851	849.799	11.140.486
B. Given In Favour of Fully Consolidated Subsidiaries	148.024.759	-	52.478.023	-
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	115.945.000	50.000.000	-	-
i. Given in Favour of Main Shareholder	115.945.000	50.000.000	-	-
ii. Given in Favour of Other Related 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
	290.617.987	**55.653.851**	**53.327.822**	**11.140.486**

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

	31 December 2013			
Collaterals, pledge and mortgages given by the Company	**Total (TRY)**	**USD**	**EUR**	**TRY**
A. Given Under the Group's Own Corporate Identity	14.789.511	2.411.500	75.000	9.422.409
B. Given In Favour of Fully Consolidated Subsidiaries	180.675.424	-	61.527.473	-
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	106.715.000	50.000.000	-	-
i. Given in Favour of Main Shareholder	106.715.000	50.000.000	-	-
ii. Given in Favour of Other Related 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
	302.179.935	**52.411.500**	**61.602.473**	**9.422.409**

Ratio of CPM's given by the Company to the Company's equities is 7,40% as of 31 December 2014 (8,63% as of 31 December 2013).

23. Commitments

Other Commitments

According to agreements made with Botaş Boru Hatları and Petrol Taşıma A.Ş. , the Group has 551.000.000 m3 natural gas purchase commitment between 1 January 2015 - 31 December 2015 (31 December 2013: 762.557.163 m3).

24. Employee Benefits

Short-term employee benefits

	31 December 2014	31 December 2013
Payables to personnel	2.208.672	2.204.834

Unused vacation provisions	31 December 2014	31 December 2013
Unused vacation provision for the period	429.105	473.571

Long term provisions related to employee benefits

Employment Termination Benefits

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Also, employees entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2242 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506. Some transitional provisions related with retirement prerequisites have been removed due to the amendments in the relevant law on May 23, 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 3.438,22 for each period of service as of 31 December 2014 (31 December 2013: TRY 3.254,44). The Group is taken into consideration in the calculation of provision for employment termination benefits TRY 3.541,37 which is effective from 1 January 2015, (31 December 2013: TRY 3.438,22 effective from 1 January 2014). Liability of employment termination benefits is not subject to any funding as there isn't an obligation.

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

Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability. Actuarial loss/(gain) is accounted in the income statement under the cost of sales and operating expenses.

The principal assumption is that the maximum liability for each year of service will increase in line 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 consolidated financial statements as of 31 December 2014 and 31 December 2013 the provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the balance sheet date were calculated by assuming an annual inflation rate of 5,00% (31 December 2013: 5,00%) and a discount rate of 9,49% (31 December 2013: 8,37%), the real discount rate is approximately 4.28% (31 December 2013: 3,21%). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered.

The movement of the employment termination benefits is as follows:

	2014	2013
Opening balance, 1 January	24.054.108	20.687.884
Currency translation differences	(75.111)	324.162
Service costs	4.584.085	4.179.613
Interest costs	637.086	626.567
Actuarial gain/ (loss)	(1.583.989)	-
Paid during period	(6.984.198)	(1.764.118)
Closing balance, 31 December	**20.631.981**	**24.054.108**

25. Impairment of Assets

Impairment of assets	**31 December 2014**	**31 December 2013**
Allowances for doubtful trade receivables	486.889	828.218
Allowance for other receivables	33.512	310.114
Allowance for diminution in value of inventories	16.002	16.659
Impairment of available for sale financial asset	655.448	655.448
	1.191.851	**1.810.439**

26. Other Assets and Liabilities

Other current assets	**31 December 2014**	**31 December 2013**
Receivables from ongoing construction contracts (Note 15)	-	10.077.655
VAT carried forward	4.320.037	8.299.539
Recoverable VAT on exports	16.324.698	13.818.846
Other	250.523	686.420
	20.895.258	**32.882.460**

Other non-current assets	**31 December 2014**	**31 December 2013**
Spare parts to be used in the following years	3.803.309	3.803.309
Other non-current assets	28.207	29.365
	3.831.516	**3.832.674**

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

Other current liabilities	31 December 2014	31 December 2013
Taxes and dues payable	3.851.174	5.949.602
Social security premiums payable	1.694.958	1.799.792
Expense accruals	299.321	236.480
Other	47.122	90.577
	5.892.575	**8.076.451**

There are no non-current liabilities (2013:None).

27. Equity, Reserves and Other Equity Components

Equity components "Paid-in Share Capital", "Restricted Reserves" and "Share Premiums", which is accounted as legal reserves in accordance with related article of the Turkish Commercial Code ("TCC") are presented with their statutory figures in books of account. In this respect, differences (such as; differences due to application of inflation accounting) resulted from the application of re-evaluations or re-measurements in accordance with the CMB's financial reporting standards, which are not subject to profit distribution or capital increase as of the date of this report, are presented in the "inflation adjustment to share capital" financial statement line if they are related with paid in capital or in the "retained earnings" financial statement line if they are related with restricted reserves or premium in excess of par.

a) Capital/ Treasury Shares (Capital adjustments)

The approved and paid-in share capital of the Company consists of 50.300.000.000 shares issued on bearer with a nominal value of Kr 1 (One Kr) each (Kr represents 1/100 of TRY).

	31 December 2014	31 December 2013
Registered Capital upper limit	1.000.000.000	1.000.000.000
Paid-in-capital	503.000.000	457.000.000

	31 December 2014		31 December 2013	
Shareholder	Amount TRY	Share (%)	Amount TRY	Share (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.	306.808.228	61,00	278.750.219	61,00
Anadolu Cam Sanayii A.Ş.	79.543.822	15,81	81.959.547	17,93
Camiş Madencilik A.Ş.	132.326	0,03	120.224	0,03
Denizli Cam San. ve Tic. A.Ş.	125.248	0,02	113.794	0,02
Trakya Cam Sanayii A.Ş.	51.233.299	10,19	48.970.476	10,72
International Finance Corporation (IFC)	13.331.853	2,65	-	-
Other (*)	51.825.224	10,30	47.085.740	10,30
Nominal capital (**)	**503.000.000**	**100,00**	**457.000.000**	**100,00**

(*) Other includes the publicly traded portion of Soda Sanayi A.Ş shares.

(**) The process of registration which is related with increasing the amount of issued capital by TRY 46.000.000 through the net-income for 2013 financial year was completed on 26 June 2014. The Company initiated the dividend distribution on 1 July 2014.

Ultimate shareholders of the Company, indirectly, are as follows:

	31 December 2014		31 December 2013	
Shareholder	Amount TRY	Share (%)	Amount TRY	Share (%)
T. İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı	139.833.181	27,80	130.295.948	28,51
Atatürk Hisseleri (Cumhuriyet Halk Partisi)	74.654.727	14,84	69.549.730	15,22
Other (*)	288.512.092	57,36	257.154.322	56,27
Nominal capital	**503.000.000**	**100,00**	**457.000.000**	**100,00**

(*) Other includes various shareholders and the publicly traded portion of T. İşbank A.Ş shares.

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

b) Other Comprehensive Income not to be reclassified to profit or loss

	31 December 2014	31 December 2013
Actuarial gain /loss fund for employee termination provision	(541.562)	(1.972.127)

The movement of revaluation funds was presented comprehensively in the period income statement and equity financial statement.

Provision for employee termination benefits actuarial gain /loss fund

The amendment in IAS-19 "Employee Benefits" does not permit the actuarial gain/loss considered in the calculation of provision for employee termination benefits to be accounted for under the statement of income. The gains and losses arising from the changes in the actuarial assumption have been accounted for under equity. Actuarial losses or gain fund for employee termination provisions are not attributable to be reclassified in income statements.

The movement of provision for employee termination benefits actuarial gain /loss fund is as below;

	31 December 2014	31 December 2013
Opening balance - 1 January	(1.972.127)	(1.972.127)
Additions	1.594.914	-
Disposals	752	-
Effect of deferred tax	(316.796)	-
Effect of sale of subsidiaries	151.695	-
	(541.562)	(1.972.127)

c) Other Comprehensive Income to be reclassified to profit or loss

Revaluation funds	31 December 2014	31 December 2013
Currency translation differences	91.617.046	106.854.820
Financial asset revaluation reserve	1.755.817	(428.582)
	93.372.863	**106.426.238**

Revaluation fund on financial assets

The revaluation 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.

	31 December 2014	31 December 2013
Opening balance - 1 January	(428.582)	2.430.622
Change in fair value of financial assets	2.383.956	(3.094.278)
Effect of deferred tax	(199.557)	235.074
	1.755.817	(428.582)

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

d) Restricted Reserves

Restricted reserves attributable to equity holder of the parent company	31 December 2014	31 December 2013
Primary legal reserves	66.431.472	39.724.375
Gain from disposals of tangible assets	284.399	278.217
	66.715.871	**40.002.592**

Retained earnings in the statutory financial statements can be distributed as dividends other than judgments related to legal reserves described below.

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

Publicly held corporations make their dividend distributions within the framework set forth in the standards and notifications published by Capital Markets Board.

"Legal Reserves", and legal reserves allocated for specific purposes (participation sales revenue allocated to obtain tax advantage) other than profit distribution allocated within the framework of the related Clause of Turkish Commercial Code are reflected as their recorded amounts. Within this scope, differences arising in the evaluations made within the framework of IFRS principles and inflation adjustments not subject to profit distribution or capital increase as by the report date are related with previous period's profits/losses.

e) Retained Earnings

The Group's extraordinary reserves presented in the consolidated retained earning amounting to TRY 500.690.345 (31 December 2013: TRY 413.736.413) is TRY 734.982.227 (31 December 2013: TRY 365.853.573).

Profit Distribution

Dividends are distributed according to Communiqué Serial: II-19.1 on "Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law", principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II No: 14.1 that sufficient reserves exists in the consolidated statutory books.

Reserves subject to dividend distribution

The Company's net distributable profit statutory accounts and the amount of reserves subject to dividend distribution as of balance sheet date are listed as below:

	31 December 2014	31 December 2013
Net profit for the period	292.209.769	487.841.933
Legal reserves	(14.610.488)	(24.392.097)
Special funds in accordance with Corporate Tax Law 5/1-e	(59.710.281)	-
Net distributable profit for the period	**217.889.000**	**463.449.836**
Extraordinary reserve	734.982.227	365.853.573
	952.871.227	**829.303.409**

f) Non-controlling Interest

Shares attributable to third parties in including the approved and paid-in capital of the consolidated subsidiaries and joint ventures which are not fully owned, are separately accounted for as "Non-controlling Interests" in the consolidated financial statements by a reduction of related equity components.

Shares attributable to third parties in the net profit or loss for the period of the consolidated subsidiaries and joint ventures, which are not fully owned are separately accounted for as non-controlling interests in the distribution of period profit / (loss) section of the consolidated statement of income.

The contribution of non-controlling interest to capital:

Non-controlling interest owners has participated to Asmaş Ağır Sanayi Makinaları A.Ş.'s capital increase amounting to TRY 22.962.598,78 which took place before the sale contract.

The transactions that were held with purpose of re-structuring of Group companies between 1 January and 31 December 2014 are as follows:

There have been no transaction during the period.

The transactions that were held with purpose of re-structuring of Group companies between 1 January and 31 December 2013 are as follows:

5.600 shares with a nominal value of EUR 1 (0.5% of the capital) from Cromital S.p.A. shares owned by the Company were sold to T.Şişe ve Cam Fabrikaları A.Ş. for EUR 24.228 on 18 February 2013.

Based on the report prepared by Engin Bağımsız Denetim ve Serbest Mali Müşavirlik A.Ş. on 7 October 2013, the foreign subsidiaries and associate would be gathered under a separate entity founded in Netherlands, the majority of shares of which would be owned by the Group, with the purpose of a more effective way of financial management of these subsidiaries and associates.

- The value of the Group's shares at a rate of 25% in Solvay Şişecam Holding AG, which is located in Austria, is EUR 105.661.500,
- The value of the Group's shares at a rate of 100% in Şişecam Bulgaria EOOD, which is located in Bulgaria, is EUR 1.124.000,
- The value of the Group's shares at a rate of 99,50% in Cromital Spa, which is located in Italy, is EUR 14.338.945,
- The value of the Group's shares at a rate of 89,30% in Şişecam Soda Lukavac DOO, which is located in Bosnia Herzegovina, is EUR 62.977.932, amounting to total value of EUR 184.102.377.

All of the related shares were sold to Şişecam Chem Investment BV, 100% of which the T. Şişe ve Cam Fabrikaları A.Ş. owns at an amount by EUR 184.102.377 and the total consideration from the sale has been collected by the Group on 8 November 2013.

It has been decided that the paid-in capital of Şişecam Chem Investment BV amounting to EUR 1.000.000 would be increased to EUR 185.000.000 by an increase of EUR 184.000.000. In accordance with the Board of Directors' meeting minute dated on 8 November 2013, the T. Şişe ve Cam Fabrikaları A.Ş. would not utilize its pre-emptive rights and the parent ownership would be procured by that the new shares amounting to EUR 184.000.000 issued by Şişecam Chem İnvestment BV would be purchased by the Group.

In accordance with this minute, EUR 184.000.000 was transferred to Şişecam Chem Investment BV by the Group on 8 November 2013 in order to be used in capital increase of Şisecam Chem Investment BV.

Since, the share transfers and capital increase made within the scope of restructuring practice for gathering foreign subsidiaries and associates of the Group, together under a separate entity founded in Netherlands for a more effective way of financial management are the transactions that do not result in control ceases in the subsidiaries, they don't have any profit or loss impact on the issued consolidated financial statements.

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

Financial statement informations for Şişecam Soda Lukavac d.o.o. which holds significant amount of the Company's non-controlling interest of subsidiaries is as follow:

	31 December 2014	31 December 2013
Current assets	79.160.651	91.652.915
Non-current assets	275.722.250	249.595.982
Total assets	**354.882.901**	**341.248.897**
Current liabilities	99.261.058	100.162.238
Non-current liabilities	100.469.743	111.250.997
Total liabilities	**199.730.801**	**211.413.235**

g) Sale of Subsidiaries

The profit and loss of the subsidiary as of the date of sale have been accounted in the consolidated financial statement. The revenue of the subsidiary company sold was TRY 1.696.405 for the period of 1 January- 15 July 2014.

The Company has sold its interests in Dost Gaz Depolama A.Ş., to T. Şişe ve Cam Fabrikaları A.Ş for TRY 42.470 on 14 of April 2014, which the Company previously owned 84,94% of its shares.

	14 April 2014
Current Assets	**19.053**
Cash and cash equivalents	8.856
Prepaid expenses	6.800
Other non-current assets	3.397
Other current assets	**5.908**
Deferred tax assets	5.908
TOTAL ASSETS	**24.961**
Current Liabilities	**47**
Other current liabilities	47
TOTAL NET ASSETS	**24.914**
Cash collected by the Group	42.470
Given cash and cash equivalents	(8.856)
Net cash inflow	**33.614**
Cash received	42.470
Sold net assets	(24.914)
Effect of non-controlling interest	3.752
Profit on sales of subsidiary	**21.308**

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

Total shares of Asmaş Ağır Sanayi Makinaları A.Ş., which was in both the Company and Group Companies portfolio was sold to CTS Demir Çelik İç ve Dış Ticaret Mühendislik Makine Sanayii Ltd. Şti., on 15 July 2014 by tender at a total at TRY 27.150.000 shares. The subsidiary company which was sold does not have significant impact on reporting process according to the activity groups and geographic sections.

Financial position statements of Asmaş Ağır Sanayi Makinaları A.Ş. are below as of 15 July 2014.

	15 July 2014
Current Assets	**5.903.514**
Cash and cash equivalents	164.766
Trade receivables	1.046.772
Inventories	4.620.088
Prepaid expenses	71.883
Current income tax asset	5
Non-Current Assets	**6.748.918**
Financial investments	10.798
Property, plant and equipment	6.729.352
Intangible assets	8.768
TOTAL ASSETS	**12.652.432**

Current Liabilities	**312.132**
Trade payables	139.395
Other payables	51.372
Other current liabilities	121.365
TOTAL NET ASSETS	**12.340.300**
Cash collected by the Group	23.075.538
Given cash and cash equivalents	(164.766)
Net cash inflow	**22.910.772**
Cash received	23.075.538
Sold net assets	(12.340.300)
Effect of non-controlling interest	1.853.785
Profit on sales of subsidiary	**12.589.023**

28. Sales and Cost of Sales

Sales	**1 January-31 December 2014**	**1 January-31 December 2013**
Sales	1.312.009.969	1.131.372.340
Electricity sales (*)	300.541.239	277.911.741
Other income	781.384	304.138
Sales return (-)	(632.017)	(369.432)
Sales discount (-)	(5.827.544)	(5.266.640)
Other sales discount (-)	(190.157)	(53.363)
	1.606.682.874	**1.403.898.784**

(*) 1.815.994.325 kwh electricity sold between 1 January-31 December 2014 (2013:1.730.277.745 kwh).

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

Cost of sales	1 January-31 December 2014	1 January-31 December 2013
Direct materials	(506.786.391)	(488.209.204)
Direct labor	(34.543.122)	(33.588.012)
Production overheads	(410.847.643)	(373.300.553)
Depreciation	(89.998.218)	(85.255.205)
Change in work in process	(319.188)	(794.143)
Change in finished goods	8.837.435	5.688.458
Cost of goods sold	**(1.033.657.127)**	**(975.458.659)**
Cost of merchandise sold	(175.743.107)	(140.005.201)
	(1.209.400.234)	**(1.115.463.860)**

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

	1 January-31 December 2014	1 January-31 December 2013
General administrative expenses (-)	(61.795.752)	(55.181.071)
Marketing, selling, and distributing expenses (-)	(74.290.315)	(61.777.432)
Research and development expenses (-)	(2.372.651)	(2.372.665)
	(138.458.718)	**(119.331.168)**

30. Operating Expenses by Nature

	1 January-31 December 2014	1 January-31 December 2013
Direct materials	(2.871.035)	(2.048.420)
Personnel expenses	(36.517.903)	(34.789.089)
Services rendered by third parties	(47.931.578)	(39.094.958)
Miscellaneous expenses	(45.355.414)	(37.807.202)
Duties, taxes and levies	(2.986.340)	(2.753.319)
Depreciation and amortisation	(2.796.448)	(2.838.180)
	(138.458.718)	**(119.331.168)**

31. Other Operating Income/ (Expenses)

Other operating income	1 January-31 December 2014	1 January-31 December 2013
Foreign exchange gain/loss related with trade receivables and payables	28.972.034	41.358.470
Rediscount on interest gain	321.224	319.442
Provisions released	621.407	928.391
Service income	3.793.867	3.626.238
Rental income	59.232	109.880
Other	6.846.108	4.735.250
	40.613.872	**51.077.671**

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

Other operating expenses	1 January-31 December 2014	1 January-31 December 2013
Foreign exchange gain/loss related with trade receivables and payables	(24.636.112)	(13.162.189)
Rediscount on interest loss	(150.197)	(92.508)
Commission expenses	(48.581)	(37.715)
Provision expenses	(6.660)	(520.126)
Energy transmission line expenses	-	(1.840.319)
Other	(3.620.779)	(4.957.306)
	(28.462.329)	**(20.610.163)**

32. Income and Expense from Investing Activities

Income from Investing Activities	1 January-31 December 2014	1 January-31 December 2013
Dividend income	1.105.287	930.980
Profit on sale of subsidiary	12.610.331	-
Gain on sale of marketable securities (*)	80.062.362	-
Gain on sale of security	299	1.179
Gain on sale of property, plant and equipment	142.369	456.047
	93.920.648	**1.388.206**

Expenses from Investing Activities	1 January-31 December 2014	1 Januar-31 December 2013
Loss from sale of property, plant and equipment	(29.154)	-

(*) The gain consists of sales the share of Paşabahçe Cam Sanayii ve Ticaret A.Ş. which is TRY 79.613.708 is planning to be evaluated by taking consideration of 5/1-3 matter in the Corporate Tax Law.

33. Financial Income and Expenses

Financial Income	1 January-31 December 2014	1 January-31 December 2013
Foreign exchange income	88.932.893	45.572.930
- Cash and cash equivalents	*66.431.744*	*41.659.231*
- Borrowings	*5.855.431*	*1.608.699*
- Bond issued	*14.405.000*	*2.305.000*
- Other	*2.240.718*	-
Interest Income	20.323.547	10.860.011
-Time deposits	*10.921.951*	*6.346.620*
- Other	*9.401.596*	*4.513.391*
	109.256.440	**56.432.941**

Financial Expenses	1 January-31 December 2014	1 January-31 December 2013
Foreign exchange expense	(75.303.852)	(39.863.922)
- Cash and cash equivalents	*(41.435.463)*	*(9.051.216)*
- Borrowings	*(7.249.250)*	*(11.482.706)*
- Bond issued	*(23.635.000)*	*(19.330.000)*
- Other	*(2.984.139)*	-
Interest expense	(12.941.987)	(12.763.792)
- Bank loan	*(6.560.739)*	*(7.269.146)*
- Bond issued	*(4.322.627)*	*(2.813.859)*
- Other	*(2.058.621)*	*(2.680.787)*
	(88.245.839)	**(52.627.714)**

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

34. Assets Held for Sale and Discontinued Operations

None (31 December 2013 : None).

35. Taxation on Income (Including Deferred Tax Assets and Liabilities)

Deferred Tax Assets and Liabilities

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with CMB and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different periods for CMB and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return, therefore, tax liabilities, as reflected in these 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.

	31 December 2014	31 December 2013
Deferred tax assets	11.741.355	8.266.807
Deferred tax liabilities (-)	-	-
Deferred tax assets (net)	**11.741.355**	**8.266.807**

Temporary differences constitute a basis for Deferred Tax	31 December 2014	31 December 2013
Useful life and valuation differences on tangible and intangible assets	99.690.105	121.456.813
Provision for employment termination benefits	(20.631.981)	(24.054.108)
Provision for inventories	13.520	268.284
Impairment of available for sale financial asset	1.848.228	(535.728)
Deferred revenue	(6.714.279)	(7.172.900)
Losses from previous years	-	(28.388.539)
Reduced corporate tax	(132.994.198)	(132.143.745)
Other	(735.344)	(5.862.518)
	(59.523.949)	**(76.432.441)**
Provision for deferred taxes	772.328	33.608.821
	(58.751.621)	**(42.823.620)**

Deferred tax (assets) / liabilities	31 December 2014	31 December 2013
Useful life and valuation differences on tangible and intangible assets	(20.239.061)	(23.973.324)
Provision for employment termination benefits	4.178.230	4.853.976
Provision for inventories	(2.704)	(53.657)
Impairment of available for sale financial asset	(92.411)	107.146
Deferred revenue	1.342.856	1.434.580
Losses from previous years	-	5.677.708
Reduced corporate tax	26.598.840	26.428.749
Other	32.838	442.856
	11.818.588	**14.918.034**
Provision for deferred taxes	(77.233)	(6.651.227)
Deferred tax assets	**11.741.355**	**8.266.807**

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

As a result of the sale of Asmaş Ağır San. Mak. A.Ş. in 15 July 2014, no carry forward tax losses included in the deferred tax calculation has been comprised as of 31 December 2014 (31 December 2013: TRY 28,388,539). Maturity of carry forward tax losses is as follows:

	31 December 2014	31 December 2013
Within 1 year	-	13.654.463
Within 2 years	-	3.441.120
Within 3 years	-	5.707.774
Within 4 years	-	5.189.609
Within 5 years	-	395.573
	-	**28.388.539**

Carry forward tax losses can be utilized against corporate income taxes for a period of maximum 5 years in Turkey.

The Group has TRY 46.609 carry forward tax loss that is not subject to deferred taxation as of balance sheet date (31 December 2013: TRY 91.951).

Movements of deferred tax assets /(liabilities) are as follows:

	2014	2013
Opening balance, 1 January	8.266.807	2.792.721
Exchange differences	(1.676)	14.979
Effect of sales of subsidiaries	(5.908)	-
Deferred tax recognized for under equity	(516.353)	235.074
Charged to statement of income	3.998.485	5.224.033
Closing balance, 31 December	**11.741.355**	**8.266.807**

Corporate Tax

The Group is subject to Turkish corporate taxes. Tax legislation in Turkey does not permit a parent company and its subsidiaries 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.

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 the revenues exempted from tax, non -taxable revenues and other discounts (if any previous year losses, if preferred investment allowances and also R&D centre incentive) are deducted.

In Turkey, corporate tax rate is 20% (2013: 20%).

The principal tax rates (%) of the tax authorities in each country used to calculate deferred taxes as of 31 December 2014 are as follows:

Country	Tax Rate (%)
Bosnia Herzegovina	10,0
Bulgaria	10,0
Italy	31,4

In Turkey, advance tax returns are filed on a quarterly basis. 20% of temporary tax rate is applied during the taxation of corporate income (2013: 20%). Losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from prior periods.

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 five years.

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

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. This rate was changed to 15% for all Companies as of 23 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Reduced Corporate Tax Allowance Practice

Corporate tax allowances can be taken for regional implementation of investments and large scale investments in accordance with Decision No: 2009/15199 of the Government Subsidies for Investments, and the framework of 5520 Corporate Income Tax Law No. 32/A. These allowances are used to reduce tax payable until the investment amount as calculated based on an incentive rate in the incentive certificate is reached. An allowance for VAT and custom tax can be utilized in accordance with incentive certificates in line with the same decision.

Provision for taxes as of 31 December 2014 and 31 December 2013 are as follows:

Current period tax liability:	**31 December 2014**	**31 December 2013**
Current corporate tax liability	60.253.318	38.760.729
Prepaid taxes and funds	(44.580.190)	(28.609.654)
Tax provision in the balance sheet	**15.673.128**	**10.151.075**

	1 January-31 December 2014	**1 January-31 December 2013**
Current corporate tax liability	(60.253.318)	(38.760.729)
Foreign exchange differences	(255.369)	267.106
Deferred tax expense	3.998.485	5.224.033
Tax provision in the statement of income	**(56.510.202)**	**(33.269.590)**

Reconciliation of provision for tax	**1 January-31 December 2014**	**1 January-31 December 2013**
Profit before taxation and minority interest	444.109.680	241.316.057
Effective tax rate	20%	20%
Calculated tax	**(88.821.936)**	**(48.263.211)**
Tax reconciliation		
- Non-deductible expenses	(8.476.901)	(926.428)
- Dividends and other non-taxable income	9.803.348	871.632
- Previous period's losses exempt from tax	8.590	898.558
- Tax exemption (*)	6.279.472	3.542.959
- Effects of foreign subsidiaries subject to different tax rates	(251.410)	(531.209)
- Effect of investments accounted for under the equity method	11.646.424	7.310.272
- Impact of reduced corporate tax rate	6.328.908	7.153.353
- Other	6.973.303	(3.325.516)
Tax provision in the statement of income	**(56.510.202)**	**(33.269.590)**

(*) 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.

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

Current tax assets	31 December 2014	31 December 2013
Prepaid taxes and funds	233.492	93.418

36. Earnings per Share

Earnings per share	1 January-31 December 2014	1 January-31 December 2013
Average number of shares in circulation during the period	50.300.000.000	50.300.000.000
Net profit for the period attributable to equity holders of the parent	384.457.359	205.819.658
Earning per TRY 1 nominal share	0,764	0,409
Total comprehensive income attributable to shareholders of parent company	372.682.102	262.791.519
Earnings per share from total comprehensive income with nominal price of TRY 1	0,741	0,522

37. Related Party Transactions

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

Deposits at Related Parties	31 December 2014	31 December 2013
T.İş Bankası A.Ş.		
- Demand deposit	2.644.230	4.809.052
- Time deposit	569.516.805	182.906.803
	572.161.035	**187.715.855**
İşbank AG		
- Demand deposit	1.876	2.568.615
	1.876	**2.568.615**

Loans received from related parties	31 December 2014	31 December 2013
T.İş Bankası A.Ş.	12.245.085	21.367.224
İşbank AG	23.207.936	24.097.800
T.Sınai Kalkınma Bankası A.Ş.	16.972.502	21.896.958
Bank borrowings from Şişecam Dış Ticaret A.Ş.	-	14.917.401
Bank borrowings from T. Şişe ve Cam Fabr. A.Ş.	-	4.676.313
Financial liabilities to T. Şişe ve Cam Fabr. A.Ş. (*)	115.573.516	106.502.786
	167.999.039	**193.458.482**

(*) On 09.05.2013 T.Şişe ve Cam Fabrikaları A.Ş. , issued USD 500.000.000 notes with seven year maturity due May 2020. The fixed interest rate for notes is 4,25% and the principle is due on maturity date. After the issuance of bonds, USD 50.000.000 was transferred to Group and the Group has individually guaranteed payments of principle, interest and other liabilities for the same amount.

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

Trade receivables from related parties	31 December 2014	31 December 2013
Trakya Cam San. A.Ş.	5.139.366	8.132.875
Trakya Cam Yenişehir San. A.Ş.	4.248.650	3.658.230
Trakya Glass Bulgaria EAD	2.919.136	3.067.023
Anadolu Cam Yenişehir San. A.Ş.	2.742.963	3.165.698
Paşabahçe Cam San. ve Tic. A.Ş.	2.431.816	3.824.118
Trakya Polatlı Cam Sanayi A.Ş.	2.306.457	-
Anadolu Cam San. A.Ş.	2.012.407	2.932.652
İş Merkezleri Yönetim ve İletişim A.Ş.	1.331.278	1.177.961
Anadolu Cam Eskişehir Sanayi A.Ş.	1.306.688	2.477.949
Solvay Sodi AD	1.244.795	581.853
Saint Gobain Glass Egypt S.A.E.	606.749	-
Oxyvit Kimya San. ve Tic. A.Ş.	408.336	354.150
Bayek Tedavi Sağlık Hizm. ve İşlt. A.Ş.	365.696	338.653
Cam Elyaf San. A.Ş.	102.040	1.436.109
Kanyon Yönetim İşletim ve Pazarlama Ltd.	55.378	-
Denizli Cam Sanayi A.Ş.	36.660	135.832
İş Net Bilgi Ür.Dağ.Tic. ve İletişim Hiz. A.Ş.	36.111	33.911
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	34.434	22.983
Paşabahçe Mağazaları A.Ş.	31.618	-
Fabrika Cementa Lukavac D.D.(FCL)	23.286	-
Camiş Madencilik A.Ş.	-	544.531
Anadolu Anonim Türk Sigorta A.Ş.	-	32.375
	27.383.864	**31.916.903**

Other receivables from related parties	31 December 2014	31 December 2013
Oxyvit Kimya San. ve Tic. A.Ş.	3.054.025	3.429.483
Anadolu Cam Eskişehir Sanayi A.Ş.	678.593	1.277.511
Camiş Elektrik Üretim A.Ş.	289.245	-
Camiş Madencilik A.Ş.	238.040	271.222
Camiş Ambalaj San. A.Ş.	40.179	-
Trakya Cam Yenişehir San. A.Ş.	24.478	-
Denizli Cam Sanayi A.Ş.	9.072	15.199
Cam Elyaf San. A.Ş.	-	29.421.206
T.Şişe ve Cam Fabrikaları A.Ş.	-	109.214.651
Anadolu Cam Yenişehir San. A.Ş.	-	160.534
Trakya Cam San. A.Ş.	-	12.663
	4.333.632	**143.802.469**

Trade payables to related parties	31 December 2014	31 December 2013
Solvay Sodi AD	24.170.892	18.065.335
Şişecam Dış Ticaret A.Ş.	9.913.798	-
Rudnik Krecnjaka Vijenac d.o.o.	926.396	854.503
Camiş Ambalaj San. A.Ş.	62.051	41.393
İş Merkezleri Yönetim ve İletişim A.Ş.	6.889	10.188
T. Şişe ve Cam Fabr. A.Ş.	1.034	5.084.639
Trakya Polatlı Cam Sanayi A.Ş.	-	803.355
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	-	10.200
Paşabahçe Cam San. ve Tic. A.Ş.	-	10.136
	35.081.060	**24.879.749**

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

Non-trade payables to related parties	31 December 2014	31 December 2013
T.Şişe ve Cam Fabrikaları A.Ş.	10.541.380	-
Cam Elyaf San. A.Ş.	6.994.897	-
Trakya Cam San. A.Ş.	3.314.646	-
Şişecam Dış Ticaret A.Ş.	2.169.229	150.074
Paşabahçe Cam San. ve Tic. A.Ş.	1.967.863	2.611.334
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	256.034	160.427
Çayırova Cam San. A.Ş.	198.144	712.676
Şişecam Enerji A.Ş.	169.395	-
Oxyvit Kimya San. ve Tic. A.Ş.	168.622	168.622
Anadolu Cam San. A.Ş.	104.740	463.920
Paşabahçe Mağazaları A.Ş.	39.661	34.424
Anadolu Cam Yenişehir San. A.Ş.	17.848	-
Trakya Polatlı Cam Sanayi A.Ş.	665	-
Trakya Cam Yenişehir San. A.Ş.	-	12.114.029
Camiş Ambalaj San. A.Ş.	-	24.792
Camiş Elektrik Üretim A.Ş.	-	91.174
	25.943.124	**16.531.472**

Sales to related parties	1 January-31 December 2014	1 January-31 December 2013
Trakya Cam San. A.Ş.	91.366.827	72.916.006
Trakya Yenişehir Cam San. A.Ş.	42.107.362	36.687.586
Paşabahçe Cam San. ve Tic. A.Ş.	39.306.099	38.575.281
Anadolu Cam San. A.Ş.	34.886.845	30.264.193
Trakya Glass Bulgaria EAD	31.189.197	24.506.183
Anadolu Cam Yenişehir A.Ş.	29.047.335	29.340.120
Anadolu Cam Eskişehir Sanayi A.Ş.	22.979.313	16.039.467
Trakya Polatlı Cam Sanayi A.Ş.	17.211.618	1.983.190
Cam Elyaf San. A.Ş.	13.138.342	11.743.946
İş Merkezleri Yönetim ve İletişim A.Ş.	11.855.826	12.124.712
Saint Gobain Glass Egypt S.A.E.	5.547.134	-
JSC Mina	5.054.188	2.171.438
Camiş Madencilik A.Ş.	4.500.674	3.952.639
Oxyvit Kimya San. ve Tic. A.Ş.	3.554.339	1.473.612
Bayek Tedavi Sağlık Hizm.ve İşlt.A.Ş.	3.171.378	3.265.847
Camiş Ambalaj San. A.Ş.	1.357.132	-
Denizli Cam San. ve Tic. A.Ş.	1.299.245	1.060.387
Anadolu Anonim Türk Sigorta A.Ş.	472.980	269.560
İş Net Bilgi Ür.Dağ.Tic. ve İlet.Hiz.A.Ş.	327.219	300.577
Kanyon Yönetim İşletim ve Pazarlama Ltd.	313.027	-
HNG Float Glass Limited	306.897	-
Paşabahçe Mağazaları A.Ş.	251.605	-
Fabrika Cementa Lukavac D.D.(FCL)	64.980	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	43.147	-
Bosen Enerji Elektrik Üret. Oto Pro.	-	771.910
	359.352.709	**287.446.654**

TRY 636.772.699 of the Group's exports during the period 1 January - 31 December 2014 were made through Şişecam Dış Ticaret A.Ş., who acts as an agent for these transactions (1 January - 31 December 2013: TRY 538.353.545).

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

Purchases from related parties	1 January-31 December 2014	1 January-31 December 2013
Solvay Sodi AD	145.050.864	112.918.810
Rudnik Krecnjaka Vijenac d.o.o.	8.446.399	6.309.090
Oxyvit Kimya San. ve Tic.A.Ş.	882.832	798.206
	154.380.095	**120.026.106**

Dividend Income from related parties	1 January-31 December 2014	1 January-31 December 2013
Paşabahçe Cam San. ve Tic.A.Ş.	1.103.287	882.630
Nemtaş Nemrut Liman İşlt. A.Ş.	-	45.950
Camiş Elektrik Üretim A.Ş.	2.000	2.400
	1.105.287	**930.980**

Interest income from related parties	1 January-31 December 2014	1 January-31 December 2013
T.Şişe ve Cam Fabr. A.Ş.	7.573.968	3.399.588
T.İş Bankası A. Ş.	6.854.408	3.778.441
Cam Elyaf San. A. Ş.	1.249.881	621.321
Oxyvit Kimya San. ve Tic.A.Ş.	143.699	57.345
Camiş Elektrik Üretim A.Ş.	113.126	-
Anadolu Cam Eskişehir Sanayi A.Ş.	116.398	67.020
Trakya Cam San. A. Ş.	50.073	-
Camiş Madencilik A. Ş.	44.260	257.295
İşbank AG	44.766	-
Trakya Yenişehir Cam San. A. Ş.	45.392	15.278
Anadolu Cam San. A. Ş.	23.226	7.378
Paşabahçe Cam San. ve Tic. A. Ş.	21.386	3.937
Anadolu Cam Yenişehir A. Ş.	10.770	80.615
Trakya Polatlı Cam Sanayi A.Ş.	6.398	-
Camiş Ambalaj San. A.Ş.	2.719	-
Anadolu Anonim Türk Sigorta A.Ş.	59	-
Denizli Cam San. ve Tic. A.Ş.	239	172
Bayek Tedavi Sağlık Hizm.ve İşlt.A.Ş.	-	679
İş Net Bilgi Ür.Dağ.Tic. ve İlet.Hiz.A.Ş.	-	829
Paşabahçe Mağazaları A.Ş.	-	1.934
	16.300.768	**8.291.832**

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 31 December 2014 was 0.90% (December 2013: 0.55%).

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

Interest expense to related parties	1 January-31 December 2014	1 January-31 December 2013
T.İş Bankası A.Ş.	1.016.351	846.527
T.Sınai Kalkınma Bankası A.Ş.	880.713	938.602
İşbank AG	780.690	1.404.608
T.Şişe ve Cam Fabr. A.Ş.	379.288	940.731
Trakya Cam San. A.Ş.	301.125	967.681
Camiş Elektrik Üretim A.Ş.	254.575	112.463
Şişecam Dış Ticaret A.Ş.	250.283	282.746
Cam Elyaf San. A. Ş.	181.365	-
Paşabahçe Cam San. ve Tic. A.Ş.	159.132	126.830
Anadolu Cam San. A.Ş.	42.633	54.123
Anadolu Cam Yenişehir A.Ş.	24.842	-
Çayırova Cam San. A.Ş.	22.845	25.252
Camiş Madencilik A.Ş.	21.728	50.148
Camiş Ambalaj Sanayi A.Ş.	13.415	6.446
Denizli Cam Sanayi A.Ş.	3.766	3.692
Paşabahçe Mağazaları A.Ş.	3.398	185
Other	2.057	-
Trakya Yenişehir Cam San. A.Ş.	118	1.982
Oxyvit Kimya San. ve Tic.A.Ş.	-	4.699
	4.338.324	**5.766.715**

Commission expense to related parties	1 January-31 December 2014	1 January-31 December 2013
Şişecam Dış Ticaret A.Ş.	3.204.967	3.012.314
T.Şişe ve Cam Fabr. A.Ş.	193.692	48.118
İş Yatırım Menkul Değerler A.Ş.	9.450	13.125
	3.408.109	**3.073.557**

Service expense to related parties	1 January-31 December 2014	1 January-31 December 2013
T.Şişe ve Cam Fabr. A.Ş.	17.637.244	14.818.572
	17.637.244	**14.818.572**

Other income from related parties	1 January-31 December 2014	1 January-31 December 2013
Trakya Cam San. A.Ş.	3.536.107	3.274.638
Solvay Sodi AD	2.400.858	1.913.923
Camiş Madencilik A.Ş.	2.202.718	1.905.653
Camiş Elektrik Üretim A.Ş.	1.433.007	1.738.501
Cam Elyaf San. A.Ş.	1.404.896	1.258.988
Paşabahçe Cam San. ve Tic. A.Ş.	1.017.972	1.078.914
Rudnik Krecnjaka Vijenac d.o.o.	357.934	393.618
Trakya Cam Yenişehir A.Ş.	283.717	-
T.Şişe ve Cam Fabr. A.Ş.	269.190	215.517
Oxyvit Kimya San. Ve Tic. A.Ş.	191.840	157.758
Anadolu Cam Yenişehir San. A.Ş.	10.665	467.092
	13.108.904	**12.404.602**

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

Other expense to related parties	1 January-31 December 2014	1 January-31 December 2013
İş Gayrimenkul Yat.Ort. A.Ş.	1.561.935	1.451.753
Şişecam Shanghai Trading Co.Ltd.	1.672.238	965.921
T.İş Bankası A.Ş.	851.826	916.886
İş Merkezleri Yön. ve İşl. A.Ş.	657.711	662.228
Çayırova Cam San. A.Ş.	526.072	557.260
T.Şişe ve Cam Fabrikaları A.Ş.	342.687	400.734
Camiş Ambalaj San. A.Ş.	381.465	316.378
Rudnik Krecnjaka Vijenac d.o.o.	488.444	190.557
Paşabahçe Mağazaları A.Ş.	36.398	40.716
Şişecam Enerji A.Ş.	143.251	-
Cam Elyaf San. A.Ş.	3.286	10.343
Avea İletişim Hizmetleri A.Ş.	8.642	-
Camiş Madencilik A.Ş.	-	1.858
Paşabahçe Cam San. ve Tic. A.Ş.	7.602	9.955
	6.681.557	**5.524.589**

Compensation to key management	1 January-31 December 2014	1 January-31 December 2013
Equity holders of the parent	3.417.119	3.047.316
Other companies subject to consolidation	2.367.799	2.080.280
	5.784.918	**5.127.596**

Key management personnel is composed of top management, members of board of directors, general manager, directors, general manager assistants and Vice Presidents. The Group did not provide key management with post-employment benefits, benefits due to outplacement, share-based payment and other long-term benefits in 1 January 2014 - 31 December 2014 and 1 January 2013 -31 December 2013.

38. Nature and Level of Risks Derived from Financial Instruments

a) Capital Risk Management

The Group manages its capital to ensure that it will maintain its status 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 Notes 8 and 10, cash and cash equivalents disclosed in Note 6 and equity attributable to equity holders of the parent, 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.

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

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

As of 31 December 2014 and 31 December 2013 the Group's net debt / total equity ratios are as follows:

	31 December 2014	31 December 2013
Borrowings and trade payables	463.324.638	463.999.468
Less: Cash and cash equivalents	(648.470.674)	(224.011.173)
Net debt	**(185.146.036)**	**239.988.295**
Total equity	1.566.964.922	1.236.388.952
Net debt / total equity ratio	**(12)%**	**19%**

(b) Financial Risk Factors

The Group's activities expose it to 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.

(b.1) Credit Risk Management

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 ("TRY") unless otherwise indicated.)

Credit risks exposed through types of financial instruments

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2014	Related Parties	Third Parties	Related Parties	Third Parties	Cash and Cash Equivalents	Derivative Instruments
Maximum credit risk exposure as of balance sheet date (*)	27.383.864	227.355.075	4.333.632	2.842.090	648.385.841	-
- Under maximum guarantee with collaterals, etc.	-	(133.389.047)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	27.383.864	215.805.337	4.333.632	2.842.090	648.385.841	-
- Under guarantee with collaterals, etc.	-	(127.494.768)	-	-	-	-
B. Carrying value of financial assets that are past due but not impaired	-	11.549.738	-	-	-	-
- Under guarantee with collaterals, etc.	-	(5.894.279)	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	486.889	-	33.512	-	-
- Impairment (-)	-	(486.889)	-	(33.512)	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Credit quality enhancing instruments; such as; guarantees received, are not considered in the calculation.

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

Credit risks exposed through types of financial instruments:

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2013	Related Parties	Third Parties	Related Parties	Third Parties	Cash and Cash Equivalents	Derivative Instruments
Maximum credit risk exposure as of balance sheet date (*)	31.916.903	219.621.024	143.802.469	5.426.087	223.985.995	-
- Under maximum guarantee with collaterals, etc.	-	(145.431.828)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	31.916.903	205.285.607	143.802.469	5.426.087	223.985.995	-
- Under guarantee with collaterals, etc.	-	(133.789.813)	-	-	-	-
B. Carrying value of financial assets that are past due but not impaired	-	14.335.417	-	-	-	-
- Under guarantee with collaterals, etc.	-	(11.642.015)	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	828.218	-	310.114	-	-
- Impairment (-)	-	(828.218)	-	(310.114)	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Credit quality enhancing instruments; such as; guarantees received, are not considered in the calculation.

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

Total guarantees received from the customers by the Group are as follows:

	31 December 2014	31 December 2013
Guarantee letter	39.980.683	37.892.837
Eximbank export insurance	84.375.529	102.112.419
Commercial letter of credit	5.434.557	2.503.420
Factoring	1.739.175	419.134
Mortgages	197.033	220.000
Other	1.662.070	2.284.018
	133.389.047	**145.431.828**

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

	31 December 2014	31 December 2013
Overdue up to one month	8.367.409	10.716.027
Overdue for 1-3 months	2.403.348	2.075.370
Overdue for 3-12 months	429.345	1.318.604
Overdue for 1-5 years	349.636	225.416
Total overdue receivables	**11.549.738**	**14.335.417**
The part under guarantee with collateral etc.	(5.894.279)	(11.642.015)

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

	31 December 2014	31 December 2013
Guarantee letter	1.387.079	1.936.474
Mortgages	-	143.588
Commercial letter of credit	172.526	19.202
Eximbank export insurance	4.085.392	9.542.751
Other	249.282	-
	5.894.279	**11.642.015**

(b.2) Liquidity risk management

Group manages the liquidity risk, by monitoring 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.

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

The following table details the Group's expected maturity for its financial liability. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liability. Amount of interest payable to be paid of financial liabilities are included in the table.

	31 December 2014					
Non derivative financial liabilities	Carrying Value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Bank borrowings	169.942.611	184.219.762	34.702.613	27.676.037	108.281.175	13.559.937
Financial liabilities to related parties	115.573.516	143.047.144	-	4.927.663	19.710.650	118.408.831
Trade payables	142.727.451	143.397.004	143.295.890	101.114	-	-
Due to related parties	61.024.184	61.024.184	58.726.428	2.297.756	-	-
Other payables	7.538.682	7.538.682	5.233.674	1.400.460	904.548	-
Total liabilities	**496.806.444**	**539.226.776**	**241.958.605**	**36.403.030**	**128.896.373**	**131.968.768**

	31 December 2013					
Non derivative financial liabilities	Carrying Value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Bank borrowings	210.633.254	229.753.059	41.981.464	47.970.362	119.203.485	20.597.748
Financial liabilities to related parties	106.502.786	136.195.019	-	4.535.388	18.141.550	113.518.081
Trade payables	121.983.679	122.340.081	118.591.938	3.748.143	-	-
Due to related parties	41.411.221	41.411.221	39.255.055	2.156.166	-	-
Other payables	3.756.538	3.756.538	2.116.799	1.465.977	173.762	-
Total liabilities	**484.287.478**	**533.455.918**	**201.945.256**	**59.876.036**	**137.518.797**	**134.115.829**

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

(b.3) Currency 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:

	Foreign Currency Position as of 31 December 2014			
	TRY Equivalent	US Dollar	Euro	Other (TRY Equivalent)
1. Trade receivables	127.916.648	42.149.144	10.486.647	597.312
2a. Monetary financial assets (cash and banks included)	584.949.263	159.632.404	76.076.519	188.644
2b. Non monetary financial assets	-	-	-	-
3. Other receivables	18.578.955	892.177	5.767.670	241.219
4. CURRENT ASSETS	731.444.866	202.673.725	92.330.836	1.027.175
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non monetary financial assets	-	-	-	-
7. Other receivables	-	-	-	-
8. NON CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	731.444.866	202.673.725	92.330.836	1.027.175
10. Trade payables	22.547.246	8.069.980	1.349.103	28.355
11. Borrowings	3.904.990	1.683.984	-	-
12a. Other monetary liabilities	4.671.441	1.946.887	37.232	51.784
12b. Other non monetary liabilities	-	-	-	-
13. SHORT TERM LIABILITIES	31.123.677	11.700.851	1.386.335	80.139
14. Trade payables	-	-	-	-
15. Borrowings	13.067.514	5.635.221	-	-
16a. Other monetary liabilities	115.237.068	49.694.712	-	-
16b. Other non monetary liabilities	-	-	-	-
17. LONG TERM LIABILITIES	128.304.582	55.329.933	-	-
18. TOTAL LIABILITIES	159.428.259	67.030.784	1.386.335	80.139
19. Net assets /(liability) position of derivative (19a-19b)	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-
20. Net foreign assets / (liability) position (9-18+19)	572.016.607	135.642.941	90.944.501	947.036
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	553.437.652	134.750.764	85.176.831	705.817
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Export	631.780.167	205.234.463	60.499.239	7.327.206
24. Import	121.839.529	50.554.725	3.791.929	287.978

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

	Foreign Currency Position as of 31 December 2013			
	TRY Equivalent	US Dollar	Euro	Other (TRY Equivalent)
1. Trade receivables	121.496.589	38.694.753	12.982.336	787.748
2a. Monetary financial assets (cash and banks included)	190.495.680	85.810.946	2.082.574	1.233.899
2b. Non monetary financial assets	-	-	-	-
3. Other receivables	4.002.480	1.258.986	423.274	72.482
4. CURRENT ASSETS	315.994.749	125.764.685	15.488.184	2.094.129
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non monetary financial assets	-	-	-	-
7. Other receivables	-	-	-	-
8. NON CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	315.994.749	125.764.685	15.488.184	2.094.129
10. Trade payables	19.533.620	6.721.779	1.760.710	17.002
11. Borrowings	26.055.026	2.769.752	6.859.712	-
12a. Other monetary liabilities	11.019.492	3.111.227	1.474.080	50.564
12b. Other non monetary liabilities	-	-	-	-
13. SHORT TERM LIABILITIES	56.608.138	12.602.758	10.094.502	67.566
14. Trade payables	-	-	-	-
15. Borrowings	15.435.646	7.232.182	-	-
16a. Other monetary liabilities	107.371.346	50.307.523	-	-
16b. Other non monetary liabilities	-	-	-	-
17. LONG TERM LIABILITIES	122.806.992	57.539.705	-	-
18. TOTAL LIABILITIES	179.415.130	70.142.463	10.094.502	67.566
19. Net assets /(liability) position of derivative (19a-19b)	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-
20. Net foreign assets / (liability) position (9-18+19)	136.579.619	55.622.222	5.393.682	2.026.563
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	132.577.139	54.363.236	4.970.408	1.954.081
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Export	533.511.443	209.524.984	51.116.024	5.439.692
24. Import	131.387.080	56.881.999	6.081.058	7.742.057

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

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

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 2014			
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency depreciation
Increase in value of US Dollar against TRY by 10%				
1 - US Dollars net assets / liabilities	31.247.355	(31.247.355)	-	-
2 - US Dollars hedged from risks (-)	-	-	-	-
3 - US Dollars net effect (1 + 2)	31.247.355	(31.247.355)	-	-
Increase in value of Euro against TRY by 10%				
4 - Euro net assets / liabilities	24.025.829	(24.025.829)	21.142.422	(21.142.422)
5 - Euro hedged from risks (-)	-	-	-	-
6 - Euro net effect (4 + 5)	24.025.829	(24.025.829)	21.142.422	(21.142.422)
Increase in value of other currencies against TRY by 10%				
7 - Other currencies net assets / liabilities	70.582	(70.582)	-	-
8 - Other currencies hedged from risks (-)	-	-	-	-
9 - Other currencies net effect (7 + 8)	70.582	(70.582)	-	-
Total (3 + 6 + 9)	**55.343.766**	**(55.343.766)**	**21.142.422**	**(21.142.422)**

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

	31 December 2013			
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency depreciation
Increase in value of US Dollar against TRY by 10%				
1 - US Dollars net assets / liabilities	11.602.745	(11.602.745)	-	-
2 - US Dollars hedged from risks (-)	-	-	-	-
3 - US Dollars net effect (1 + 2)	11.602.745	(11.602.745)	-	-
Increase in value of Euro against TRY by 10%				
4 - Euro net assets / liabilities	1.459.560	(1.459.560)	19.100.406	(19.100.406)
5 - Euro hedged from risks (-)	-	-	-	-
6 - Euro net effect (4 + 5)	1.459.560	(1.459.560)	19.100.406	(19.100.406)
Increase in value of other currencies against TRY by 10%				
7 - Other currencies net assets / liabilities	195.408	(195.408)	-	-
8 - Other currencies hedged from risks (-)	-	-	-	-
9 - Other currencies net effect (7 + 8)	195.408	(195.408)	-	-
Total (3 + 6 +9)	**13.257.713**	**(13.257.713)**	**19.100.406**	**(19.100.406)**

(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 floating rate borrowings. Based on the current balance sheet composition and analysis calculated by the Group, if the interest rates of TRY were increased / decreased by 1% and foreign currency interest rates were increased / decreased 0,25% with the assumption of keeping all other variables constant, the net profit / loss for the period before taxation and minority interest would decrease / increase by TRY 358.483 as of 31 December 2014 (31 December 2013: TRY 459.864).

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

Interest rate sensitivity

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

	31 December 2014			
	Floating Interest	Fixed Interest	Non-Interest Bearing	Total
Financial Assets	**-**	**900.514.928**	**18.817.716**	**919.332.644**
Cash and cash equivalents	-	637.879.167	10.591.507	648.470.674
Financial investments	-	721.100	-	721.100
Available for sale financial assets	-	-	8.226.209	8.226.209
Trade receivables	-	227.355.075	-	227.355.075
Receivables from related parties	-	31.717.496	-	31.717.496
Other receivables	-	2.842.090	-	2.842.090
Financial Liabilities	**143.360.515**	**353.427.699**	**18.230**	**496.806.444**
Bank borrowings	143.360.515	26.563.866	18.230	169.942.611
Financial liabilities to related parties	-	115.573.516	-	115.573.516
Trade payables	-	142.727.451	-	142.727.451
Payables due to related parties	-	61.024.184	-	61.024.184
Other payables	-	7.538.682	-	7.538.682

	31 December 2013			
	Floating Interest	Fixed Interest	Non-Interest Bearing	Total
Financial Assets	**-**	**613.623.249**	**38.894.931**	**652.518.180**
Cash and cash equivalents	-	212.106.061	11.905.112	224.011.173
Financial investments	-	750.705	-	750.705
Available for sale financial assets	-	-	26.989.819	26.989.819
Trade receivables	-	219.621.024	-	219.621.024
Receivables from related parties	-	175.719.372	-	175.719.372
Other receivables	-	5.426.087	-	5.426.087
Financial Liabilities	**182.461.693**	**301.825.785**	**-**	**484.287.478**
Bank borrowings	182.461.693	28.171.561	-	210.633.254
Financial liabilities to related parties	-	106.502.786	-	106.502.786
Trade payables	-	121.983.679	-	121.983.679
Payables due to related parties	-	41.411.221	-	41.411.221
Other payables	-	3.756.538	-	3.756.538

(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 price risks as of the reporting date. At the date of reporting, if the equity prices were increased / decreased by 10% with the assumption of keeping all other variables constant:

- As of 31 December 2014, if equity 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/decreases in the other equity funds would amount to TRY 776,489 (31 December 2013: increase/decrease amounts to TRY 474,276). This change is caused by the fair value change of equity share investments classified as available for sale.

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

39. Fair Value of Financial Instruments and Hedge Accounting

Categories of Financial Instruments

31 December 2014	Financial assets and liabilities valued with effective interest rate method	Loans and receivables	Available for sale financial assets	Financial assets and liabilities designated as at fair value through profit or loss	Carrying value	Note
Financial assets	**649.191.774**	**259.072.571**	**8.226.209**	**-**	**916.490.554**	
Cash and cash equivalents	648.470.674	-	-	-	648.470.674	6
Financial investments	721.100	-	8.226.209	-	8.947.309	7
Trade receivables	-	227.355.075	-	-	227.355.075	10
Receivables from related parties	-	31.717.496	-	-	31.717.496	37
Financial liabilities	**489.267.762**	**-**	**-**	**-**	**489.267.762**	
Bank borrowings	169.942.611	-	-	-	169.942.611	8
Loans to related parties	115.573.516	-	-	-	115.573.516	8
Trade payables	142.727.451	-	-	-	142.727.451	10
Payables due to related parties	61.024.184	-	-	-	61.024.184	37

31 December 2013	Financial assets and liabilities valued with effective interest rate method	Loans and receivables	Available for sale financial assets	Financial assets and liabilities designated as at fair value through profit or loss	Carrying value	Note
Financial assets	**224.761.878**	**395.340.396**	**26.989.819**	**-**	**647.092.093**	
Cash and cash equivalents	224.011.173	-	-	-	224.011.173	6
Financial investments	750.705	-	26.989.819	-	27.740.524	7
Trade receivables	-	219.621.024	-	-	219.621.024	10
Receivables from related parties	-	175.719.372	-	-	175.719.372	37
Financial liabilities	**480.530.940**	**-**	**-**	**-**	**480.530.940**	
Bank borrowings	210.633.254	-	-	-	210.633.254	8
Loans to related parties	106.502.786	-	-	-	106.502.786	8
Trade payables	121.983.679	-	-	-	121.983.679	10
Payables due to related parties	41.411.221	-	-	-	41.411.221	37

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

Fair Value of Financial Instruments

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

- Category 1: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.
- Category 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.
- Category 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		
Financial assets	**31 December 2014**	**Category 1**	**Category 2**	**Category 3**
Financial assets available for sale	8.226.209	8.183.295	-	42.914
Total	**8.226.209**	**8.183.295**	-	**42.914**

		Financial assets at fair value as of reporting date		
Financial assets	**31 December 2013**	**Category 1**	**Category 2**	**Category 3**
Financial assets available for sale	26.989.819	5.799.339	-	21.190.480
Total	**26.989.819**	**5.799.339**	-	**21.190.480**

40. Events after the Balance Sheet Date

None.

41. Other Issues that Significantly Affect the Financial Statements or Other Issues Required for a Clearer Understanding of Financial Statements

Approval of Financial Statements

The Group's audited consolidated financial statements as of 31 December 2014 prepared in accordance with the Capital Markets Board's numbered Communiqué Serial: II, No: 14.1 are reviewed by also considering the opinion of the Audit Committee and it has been concluded that the accompanying financial statements present fairly the consolidated financial position of the Company in accordance with the financial reporting standards endorsed by the Capital Markets Board and accounting policies applied by the Company. The accompanying financial statements are authorized by the Finance Director of Chemicals Group's, Cihan Sırmatel, and the Budget and Controlling Manager, Melek Bala Zaimoğlu and approved for the public announcement by the Board of Directors on 27 February 2015.

SODA SANAYİİ A.Ş.
PROFIT DISTRIBUTION OF 2014

Dear Shareholders,

Our Company posted a net profit of TRY 384,457,359.00 on its 2014 operations.

We hereby present for your consideration and approval that our 2014 net profit in the amount of TRY 384,457,359.00 that descends in our 2014 consolidated balance sheet drawn up as per the Capital Markets Board of Turkey (CMB) Communiqué Serial: II-14.1 on Principles of Financial Reporting in Capital Markets be allocated as follows in accordance with the CMB regulations governing profit distribution, Article 28 of the Company's Articles of Association, and the principles specified in our publicly disclosed "Dividend Policy":

1. Net Profit for the Period	**384,457,359.00**
2. First Legal Reserves	(14,610,488.45)
3. Amount Transferred to Special Fund as per Art. 5/1-e of the Corporate Tax Law	(59,710,281.02)
4. Net Distributable Profit for the Period	**310,136,589.53**
5. Donations in the Reporting Period	113,129.46
6. Net Distributable Profit for the Period Including Donations, Based on Which First Dividend Will Be Calculated	**310,249,718.99**
7. First Dividend to Shareholders	
- Cash	60,000,000.00
- Bonus Share	96,000,000.00
Total Dividends	**156,000,000.00**
8. Second Legal Reserves	(3,485,000.00)
9. Extraordinary Reserves	**150,651,589.53**

We further propose that gross dividend of TRY 60,000,000 corresponding to 11.92842% of the current issued capital be distributed in cash, and gross dividend of TRY 96,000,000 corresponding to 19.08548% be distributed as bonus shares; that a net dividend remaining after the income tax withholding is applied be paid out to our shareholders subject to withholding tax; that the date for cash dividend payout be set as 29 May 2015, and bonus shares be distributed within legally prescribed period of time.

Yours faithfully,

Tahsin Burhan Ergene
Chairman of the Board of Directors

SECTION I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

This statement defines the below mentioned responsibilities of Soda Sanayii Anonim Şirketi (the Company) for the handling of relations with shareholders, stakeholders, public disclosure and transparency, and for determination of the duties, powers and responsibilities of the Board of Directors, and of the committees and executives reporting thereto, within the frame of the Corporate Governance Principles stipulated by the Capital Markets Board of Turkey (CMB) Communiqué Serial: II-17.1 on Corporate Governance that went into force upon its publication in the Official Gazette issue 28871 dated 03 January 2014.

Incorporated in 1969 as a member of the Şişecam Group and a Türkiye İş Bankası (İşbank) subsidiary, Soda Sanayii is engaged in the soda ash and chromium compounds sectors. Soda Sanayii supplies soda chemicals to various industrial sectors at home and abroad, including glass, textiles, detergent, chemicals, food and feed industries, which the Company produces at its Soda Plant in Mersin and procures from Solvay Sodi, its associate in Bulgaria.

Şişecam Bulgaria Ltd., our sales company established in Bulgaria, ships the soda chemicals procured from Solvay Sodi to a broad base of customers located in and out of Bulgaria.

A substantial portion of the soda chemicals produced at Şişecam Soda Lukavac d.o.o., our subsidiary incorporated in Bosnia&Herzegovina, is exported.

Taking place among the world's leading producers of chromium chemicals, Soda Sanayii supplies the major industrial sectors at home and abroad, including leather, wood preservation, chemicals and paper with basic chromium sulfate, chromic acid, sodium sulfide and sodium sulfhydrate produced at the Kromsan Plant in Mersin, and purchased from the Italy-based Cromital S.p.A., in which it has acquired ownership share in 2005 to become the outright owner at the end of 2011.

The Company ranks among the world's top 10 and Europe's top four largest suppliers in the soda ash sector, and it is one of the world's top four producers in the field of chromium chemicals. In line with the position it enjoys, the Company has built its management concept on the principles of equality, transparency, accountability and responsibility. This concept is best exhibited in the Company's position established as one of the select producers in its field of activity in Europe and in the world, by virtue of the current magnitude of its business, the degree of its specialization, and its highly-competitive operations.

The Company attaches great importance to continued productivity increase and cost reduction, and attains these targets with the support of modernization and R&D investments.

Displaying a high level of sensitivity with respect to environmental and occupational health, Soda Sanayii carries out its initiatives in these topics in accordance with Responsible Care, a voluntary initiative implemented by the chemicals industries in developed countries.

Modern governance and industrial operation principles, high level of institutionalization, market-orientation and R&D focus, growth, productivity increase, and product and service quality, which have brought the Company to its current position, also make up the pillars of the future's stronger Soda Sanayii. The Company pays the utmost attention to achieve compliance with the CMB's regulations in its corporate governance practices. The principles, which are appended to the Communiqué on Corporate Governance and with which full compliance could not yet be achieved in the fiscal year ended 31 December 2014, have not led to any conflict of interests among the stakeholders to date.

Explanations regarding those Corporate Governance Principles covered in the appendix to the Corporate Governance Communiqué, which are non-compulsory for the Company, are provided in the related sections of the report for the year ended 31 December 2014. Specific activities carried out during the reporting period for achieving compliance with the Corporate Governance Principles are summarized below.

1) For fulfillment of our Group's publicly-traded companies' obligations arising from the capital market legislation in accordance with the regulatory rules and for more effective execution of the activities along that line, a centralized concept has been embraced, and the Group shaped its organization accordingly. Within this context, efforts for the satisfaction of the publicly-traded sub-companies' obligations arising from the capital market legislation were long steered and coordinated by the Investor Relations Department reporting to the Financial Affairs Division.

   Accordingly, the head and contact persons to be assigned to the Company's Investor Relations Department were designated and publicly disclosed via KAP (Public Disclosure Platform) on 30 June 2014 pursuant to Article 11 of the CMB's Communiqué no. II-17.1 on Corporate Governance. The department head is also elected as a member of the Corporate Governance Committee.

2) The scope and content of the Company's corporate website were expanded so as to increase the efficiency of shareholders' and stakeholders' access to information. Accordingly, the corporate website features investor presentations, investor calendar, frequently asked questions, and similar information and explanations, which may affect the exercise of shareholder rights, in an up-to-date manner for shareholders.

3) During 2014, all related party transactions and transaction principles were collectively presented to the Board of Directors. There were no related party transactions or material transactions that needed to be put to the vote at the General Assembly by reason of the withdrawal of approval by independent members.

The Company's 2014 Corporate Governance Principles Compliance Report was prepared in the format specified in the CMB resolution no. 2/35 published in the Weekly Bulletin no. 2014/2 dated 27 January 2014, and presented under separate headings hereinbelow.

SECTION II - STAKEHOLDERS

2.1. Investor Relations Department

In order to fulfill the obligations arising from the capital market legislation within the frame of the regulatory rules and to more effectively pursue the activities along that line, a centralized approach has been embraced, and the Parent Company created an organization accordingly.

Within this context, all of our Company's obligations arising from the Turkish commercial legislation and the capital market legislation are being fulfilled under the supervision, guidance and coordination of the Investor Relations Department set up under the Financial Affairs Division of the Parent Company. Hence, Asuman Durak, who holds Capital Market Activities Advanced Level License, and Cihan Sırmatel, the Financial Affairs Director, have been assigned as the head and contact person of the department, respectively pursuant to Article 11 of the CMB's Communiqué no. II-17.1 on Corporate Governance. The said assignment has been publicly disclosed via KAP on 30 June 2014.

The Investor Relations Department plays an active role in the protection and facilitation of the exercise of shareholding rights in general, and of the right to receive and review information in particular. The Department fulfills the following functions:

a. Keeps the records of the correspondence between the investors and the Company, and other information and documents in a sound, safe and up-to-date manner;
b. Responds to written information requests about the Company received from the shareholders;
c. Ensures that the General Assembly meetings are held in accordance with applicable legislation, articles of association and other internal guidelines;
d. Prepares the documents that may be beneficial for shareholders at the General Assembly meetings;
e. Supervises the fulfillment of obligations arising from the capital market legislation, including all aspects of corporate governance and public disclosure.

The Department submits a periodic report to the Board of Directors, which covers the Department's activities during the reporting period, investor feedback and opinions that may be deemed important, and brokerage firms' comments and assessments about the Company.

One-on-one meetings and teleconferences are held with the analysts and fund managers of domestic and foreign brokerage firms and asset management companies at the Company's head office, and the information requests received by the Department are responded to. To request information, shareholders can directly contact the Investor Relations Department employees, or send an email to the Department's email address or use the contact form available on the website. Records of written and oral information requests, and of the responses thereto, are regularly kept by the Investor Relations Department.

Information and disclosures, which are of a nature to affect the exercise of shareholding rights, are made available for shareholders in an up-to-date manner on the corporate website.

2014 activities aimed at providing detailed information on the Company's activities and operations to investors are summarized below:

- During 2014, meetings were held with approximately 210 investors, 58 of whom were bond investors, and the others were stock investors. The Company participated in five conferences, three of them in Turkey and two of them abroad. While four of these five conferences addressed stock investors, the other one was organized for bond investors. In addition, two non-deal roadshows were organized abroad.
- During the reporting period, 40 analyst meetings were held; in addition, a field trip was organized to the Company's production facilities in Mersin for analysts. Moreover, following the disclosure of the financial results for the first half of 2014, a webcast teleconference was organized during which the questions of investors and analysts were responded to.

In addition to the contact persons of the Investor Relations Department, Bala Zaimoğlu, Budget and Financial Control Manager reporting to the Financial Affairs Department, and Ahmet Bayraktaroğlu, Accounting Manager, can also be assigned to the Investor Relations Department as and when necessary.

2.2. Exercise of the Shareholders' Right to Information

Shareholders are not discriminated against when exercising their right to obtain and review information. Each shareholder has the right to obtain and review information. The Articles of Association contains no provisions restricting the right to receive information.

During 2014, investors' and shareholders' written and verbal requests for information were responded to in accordance with the capital market legislation, CMB regulations and resolutions, and related information and documents, except for confidential information or trade secrets, were shared with investors and shareholders paying due regard to the equality principle.

Within the framework of applicable legislation, the Company's corporate website is used effectively to broaden the shareholders' right to information and to facilitate proper exercise thereof. Within this scope, information and documents stipulated by the Corporate Governance Principles and regulatory authorities are made available in Turkish and in English for shareholders on the Company's corporate website accessible at www.sodakrom.com.tr .

The Company's Articles of Association do not stipulate the request for the appointment of a special auditor as an individual right as yet. No request for the appointment of a special auditor was received during the reporting period.

2.3. General Assembly Meetings

The announcement of a general assembly meeting is made through the Public Disclosure Platform (KAP), the Electronic General Meeting System (e-GEM), the Company's corporate website, and the Turkish Trade Registry Gazette at least three weeks in advance of the meeting date, so as to reach the maximum number of shareholders. In addition, an "informational document" on agenda items is prepared and publicly disclosed prior to the general assembly meeting. All announcements and notifications observe the requirements set out by the Turkish Commercial Code (TCC), capital market legislation, CMB regulations and resolutions, and the Company's Articles of Association.

The announcements clearly specify the date and time of the meeting, the exact meeting venue so as to avoid any ambiguity, meeting agenda, the body issuing the invitation to the meeting, and the address where the annual report, financial statements, and other general assembly meeting documents can be examined. In this context, the annual report, financial reports, other documents forming the basis for agenda items, and the profit distribution proposal were made available for review from the date of promulgation of the meeting announcement in various environments guaranteeing easy access to shareholders, including the Company head office and the electronic environment.

In addition to those, the following were posted in a manner to draw the attention under the "Informational Documents" section of the "General Assembly Announcements and Documents" under the "Investor Relations" heading on the Company's corporate website at www.sodakrom.com.tr .

a. Total number of shares and voting rights reflecting the Company's shareholding structure as of the date of disclosure, number of shares representing the privileged share groups in the Company's capital, and information on voting rights and the nature of privileges.
b. Information that no material changes occurred in the management and/or activities of the Company and its subsidiaries in the previous fiscal year, nor are they planned for the upcoming fiscal period, which may have a material impact upon the Company's operations.
c. Grounds for dismissal and replacement of Board members, along with the nominees' résumés, posts held in the past ten years, the nature and significance of their relationships with the Company and its related parties, whether they qualify as independent members, and information on similar matters.

When preparing the general assembly agenda, care is taken to assign a separate heading to each motion, and to express agenda items clearly in a manner that will not result in any misinterpretations. Words like "other" and "various", etc. are avoided.

When preparing the agenda, the Board of Directors takes into consideration the topics that shareholders communicated in writing to the Company's Investor Relations Department, which they wish to be incorporated in the agenda. No such requests were received during the reporting period.

The utmost attention is paid to hold general assembly meetings without leading to inequality among the shareholders and to organize the meetings so as to make sure that shareholders can participate at the lowest possible cost. Within this context, the time of a general assembly meeting is determined by considering traffic, transportation, and similar external factors. Electronic general assembly meeting is considered as an option that can increase the ability of shareholders to participate in these meetings.

During a general assembly meeting, the chairman takes care to make sure that the topics covered in the agenda are addressed in an unbiased and detailed manner, they are presented clearly and comprehensibly, and the shareholders are given the opportunity to voice their opinions and ask their questions under equal conditions. The shareholders' questions during a general assembly meeting, which are not trade secrets, are directly responded to during the course of the meeting. If the question is irrelevant to the agenda or is too comprehensive to be answered forthwith, the query will be responded to in writing as soon as possible by the Investor Relations Department. During the Ordinary General Assembly convened in 2014, however, no questions were raised.

In the event that shareholders having management control, members of the Board of Directors, executives with administrative responsibility and/or their spouses or relatives by blood or marriage unto the second degree carry out a material transaction that might lead to a conflict of interest with the Company or its subsidiaries, and/or perform a transaction on their own or other's behalf which falls within the scope of the commercial activity of the Company or its subsidiaries, or become a partner with unlimited liability in another company dealing with the same kind of commercial activity, such transactions are included in the agenda as a separate item for presentation of detailed information at the general assembly, and are recorded in the minutes of the general assembly meeting.

Activities that the members of the Board of Directors perform within the scope of Articles 395 and 396 of the Turkish Commercial Code are presented for the information of the General Assembly.

Members of the Board of Directors, other relevant individuals, officials who were responsible for preparing the financial statements, and auditors attend the general assembly in order to provide necessary information on specific matters covered in the agenda and to answer questions.

If there is a significant change in the management and operations of the Company, public disclosure is made within the frame of the legislation.

Effective 02 January 2014, Tahsin Burhan Ergene, Vice President of Marketing and Sales of the Chemicals Group, was appointed to succeed Sabahattin Günceler, who left his seat as the Chairman of the Board of Directors on 02 January 2014 by reason of the expiration of his term of office pursuant to Article 20 of the Parent Company's personnel bylaws. This change in the Company's management was disclosed on KAP in line with the applicable legislation.

The Company's Articles of Association were amended to incorporate a provision that the Company will adhere to the Corporate Governance Principles in case of material transactions and related party transactions as defined in the CMB regulations, and in case of furnishing guarantees, pledges or mortgage in favor of third parties.

Within this scope, during the reporting period:

Shares in the capital of Paşabahçe Cam Sanayii ve Ticaret A.Ş., an associate of our Company, with a total nominal value of TRY 9,511,916 were sold to the European Bank for Reconstruction and Development (EBRD) for EUR 35,713,923.12.

Shares in the capital of Asmaş Ağır Sanayii Makinaları A.Ş., a subsidiary of our Company, with a total nominal value of TRY 64,838,059.16 were sold to CTS Demir Çelik İç ve Dış Ticaret Mühendislik Makine Sanayii Limited Şirketi for TRY 23,075,538.05.

These transactions were agreed upon with the unanimous consent of the Board of Directors.

The Company has established a policy on donations and grants, which was laid down for approval at the latest General Assembly. Stakeholders were informed on donations made during the reporting period, and the upper limit of donations for the upcoming period was approved.

General assembly meetings are open to the public, including the media. Our general assembly meetings are held under the supervision of a representative from the Ministry, who is assigned by the Ministry of Customs and Trade. The general assembly meeting minutes, which are posted on the Company's corporate website, are also made available for review by shareholders at the Company's head office.

During the reporting period, information on related party transactions and on guarantees, pledges and mortgages provided in favor of third parties is provided at the general assembly under a dedicated agenda item.

2013 Ordinary General Assembly meeting was held on 02 April 2014 with a quorum of 92.21%.

In the announcements and promulgations regarding general assembly meetings, the following information is provided:

a) The agenda, place, date, and time of the General Assembly, and sample proxy form and the principles for the wording of the proxy form for those shareholders who will be represented by proxy;

b) The information that the general assembly meetings will be held in a physical and electronic environment, and that in the case of electronic general meetings, proxies will be assigned, suggestions will be made, opinions will be expressed, and votes will be cast via the Electronic General Meeting System (e-GEM) provided by the Central Registry Agency (MKK), and that right holders wishing to participate in the general assembly in person or by proxy in the electronic environment shall make their preferences known in accordance with the principles of e-GEM;

c) The information that shareholders wishing to participate in the physical general assembly must present their identities or proxy forms, as the case may be, if they wish to exercise their rights in relation to their shares registered in the "Shareholders List" with the Central Registry Agency (MKK) system in person or via their proxies,

d) That the annual report, including financial statements, independent audit reports, the profit distribution proposal of the Board of Directors, and the former and new versions of the amended Articles of Association, if applicable, will be made available for examination by the shareholders at the Company head office and on the corporate website at least three weeks in advance of the general assembly date.

2.4. Voting Rights and Minority Rights

There are no privileges in the Company's Articles of Association regarding the exercise of voting rights. Pursuant to the Articles of Association, each share is entitled to one vote. If cross ownership is associated with a controlling relationship, the corporations in such cross ownership may not exercise their voting right in the general assembly meetings of the corporations in which they have cross ownership, unless a compulsory situation arises, such as ensuring a quorum.

The Company avoids practices that complicate the exercise of the voting right, and all shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and easily.

The utmost care is taken to make sure that minority rights are exercised. However, the Articles of Association do not grant minority rights to those holding less than one twentieth of the capital, and the Company adopted the same ratios that are stipulated in the legislation for publicly-held companies. There are no findings indicating that there is a conflict between the interests of the blockholder and those of the Company.

2.5. Dividend Right

The Company has in place a specific, consistent dividend distribution policy, which has been developed in view of the provisions of the Turkish Commercial Code, the Capital Market Law, tax laws and other legislation governing the Company, as well as the Articles of Association. This policy has been laid down for the approval of shareholders at the General Assembly, incorporated in the annual report, and publicly disclosed on the corporate website.

The Company's profit distribution policy contains the minimum information that is clear enough to give investors an insight into the distribution principles and procedures for the Company's future profit. The profit distribution policy, the full text of which is provided hereinbelow, observes a balanced policy between the interests of the shareholders and those of the Company.

The Profit Distribution Policy is as follows:

The Company's dividend distribution policy has been determined giving due regard to the Turkish Commercial Code, the Capital Market Law, tax laws, other legislation the company is subject to, and the provisions of the Articles of Association.

Accordingly;

a) The Company has determined that a minimum of 50% of its distributable net profit for the period, calculated at the end of each year in accordance with the capital market legislation and other applicable legislation, is distributed in cash and/or in the form of bonus shares;

   Ordinary General Assembly of Shareholders may resolve to pay out dividends at a different ratio than the targeted one, in view of matters such as economic conditions, investment plans, and cash position;

b) The Board of Directors' profit distribution proposals, which also contain the details stipulated in the CMB regulations and in the Corporate Governance Principles, are disclosed to the public through the Public Disclosure Platform, the Company's website, and the annual reports, within the legal periods of time;

c) Cash dividends, which will be distributed depending on the resolutions taken at the General Assembly, are paid on the dates decided upon at the General Assembly. The transactions in relation to the dividends that will be distributed in the form of bonus shares will be completed within the legal periods of time stipulated in the CMB regulations;

d) Within the framework of the profit distribution policy, dividends are equally distributed among all the shares existing at the date of distribution, regardless of issuance and acquisition dates;

e) If the Board of Directors proposes against distribution of profits to the General Assembly, the grounds therefor and information on how the undistributed profit will be utilized will be communicated to the shareholders at the General Assembly meeting;

f) The profit distribution policy observes a balance between the interests of the shareholders and the interests of the Company;

g) There are no privileged shares in terms of getting share from the profit;

h) The Articles of Association do not contain any provisions governing founder's shares or payment of dividends to the members of the Board of Directors or to employees;

i) According to the Articles of Association, the Board of Directors may distribute advances on dividends, provided that the Board is authorized to do so by the General Assembly and provided further that the Capital Markets Law and the relevant regulations of the CMB shall have been complied with. Authority to distribute advances on dividends, which is granted by the General Assembly to the Board of Directors, is restricted to the year in which such authority is granted.

In 2014, TRY 46 million was distributed in cash and TRY 46 million was distributed as bonus shares, adding up to a total dividend distribution of TRY 92 million (TRY 46 million + TRY 46 million).

2.6. Transfer of Shares

Neither the Company's Articles of Association nor any decisions adopted at the General Assembly contain any provisions or practices that complicate the transfer of shares.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Company's Website and Its Contents

The corporate website, www.sodakrom.com.tr , is actively used as stipulated by the CMB's Corporate Governance Principles in order to carry out the Company's relations with shareholders more efficiently and more rapidly, and to be in constant contact with the shareholders. The information provided on this website is constantly updated. The information posted on the Company's corporate website share the same content with the disclosures made according to the provisions of relevant legislation, and they do not contain any conflicting or missing information.

The Company's corporate website accessible at www.sodakrom.com.tr features the information -in Turkish and in English- that is mandatory to be disclosed pursuant to the legislation, plus the following information: business lines, products, annual and interim activity reports, financial reports, corporate governance compliance reports, the Articles of Association, trade registry information, shareholding structure, general assembly meeting agendas, minutes of general assembly meetings, lists of participants to the general assembly meetings, sample proxy voting form, prospectuses and public offering circulars, code of conduct, information policy, announcements on mergers and de-mergers, material event disclosures, members of the Board of Directors, formation and operating principles of the Board of Directors committees, interim audit reports, donation policy, anti-bribery and anti-corruption policy, remuneration policy for senior executives, current announcements, investor presentations, profit distribution policy and frequently asked questions and their responses. Within this scope, the corporate website presents information covering the last five years, at a minimum.

The shareholding structure of the Company, specifying the names of the real person shareholders holding more than 5% share after the elimination of indirect and cross-shareholding relationships, and the ratio and amount of shares are disclosed on the Company's corporate website and are updated quarterly.

Türkiye Şişe ve Cam Fabrikaları A.Ş. holds 61% share in the Company's issued capital of TRY 503,000,000.

Türkiye Şişe ve Cam Fabrikaları A.Ş. is the Company's shareholder with management control over the Company, and there were no real person shareholders holding more than 5% share in the capital structure of the shareholder with management control as of the date of this writing.

3.2. Annual Report

The annual report is prepared in sufficient detail to give the public complete and accurate information regarding the Company's operations. The annual report for 2014 fiscal year has been prepared in accordance with the provisions of the "Regulation on the Determination of Minimum Contents of Annual Reports of the Companies" published by the Ministry of Customs and Trade based on Articles 516(3) and 518 of the Turkish Commercial Code, and to cover the minimum content specified in Article 8 of the CMB "Communiqué on Principles of Financial Reporting in Capital Markets". The annual report has been independently audited.

Accordingly, the annual report contained the following information;

a. The reporting period, the company name, trade registry number, contact information,
b. The names of the chairman and the members of the Board as well as the heads and members of committees who served during the reporting period,
c. The sectors in which the Company's subsidiaries operate, general information on their performances, and the developments during the year,
d. Information about the Company's functional units, general explanations related to their activities and performance, and developments during the year,
e. Progress on investments, eligibility for and status of government incentives,
f. Changes to the Articles of Association in the current period and the grounds therefor,
g. Corporate Governance Principles Compliance Report,
h. Information on related party transactions,
i. Other relevant and beneficial information that is not included in the financial statements,
j. The Company's organizational, capital and shareholding structures,

k. Information on all benefits provided to staff and workers, and the number of personnel,
l. Information on external positions held by the Board members within the frame of the permission granted by the General Assembly, specifying whether they are in-Group/non-Group positions,
m. Profit distribution policy,
n. Key ratios pertaining to the Company's financial position, profitability and solvency, and
o. The Company's financing resources and risk management policies.

In addition to the matters specified in the legislation, information on the following topics was included in the relevant sections of the annual reports;

a) External positions held by Board members and executives, and the declaration of independence of the relevant Board members,
b) Members of the committees set up under the Board of Directors, their operating principles including meeting frequencies and activities carried out,
c) The number of Board meetings held during the reporting period and the attendance of Board members to these meetings,
d) Any changes to legislation which could significantly affect the Company's operations,
e) Any major lawsuits brought against the Company and their possible outcomes, and
f) Benefits provided to employees, professional training opportunities available for employees, and corporate social responsibility initiatives pertaining to the Company activities that give rise to environmental and social consequences.

SECTION IV - STAKEHOLDERS

4.1. Keeping Stakeholders Informed

The Company recognizes the rights of stakeholders, which are established by law or through any other mutual agreement. In cases where the law or such other agreements remain silent, the Company protects stakeholders' interests within the frame of principles of good faith and to the extent allowed by the Company's means. Effective and expeditious compensation is provided in case of violation of rights.

Stakeholders are adequately informed on the protection of their rights, and the Company's relevant policies and procedures, through various tools including the corporate website.

The Company's corporate governance practices are structured to allow its stakeholders including its employees to report their concerns about any illegal or unethical transaction to the management.

The employees can report any act that is illegal and/or are unethical to the Audit Committee and the Internal Audit Unit. A dedicated telephone line was set up for reporting ethical issues, which stakeholders can use to communicate any transaction that they deem to be contradictory to the laws or the Company's ethical values to the Audit Committee, which is formed of independent Board members. Such complaints can also be emailed to "etik@sisecam.com".

4.2. Stakeholders' Participation in Management

The Company has espoused it as a key principle to keep all lines of communication open and to eliminate any obstacle that may emerge so as to enable participation of Company employees in management. To this end, the Company makes use of various tools such as "Ambassadors of Development", "We are Members of the Şişecam Community", "Message to the General Manager" and "Idea Factory".

The Company maintains constant communication with its employees, takes their needs into consideration, and creates various platforms and mechanisms by which employees can convey their opinions and comments.

Internal meetings are held, which the Company employees attend when necessary. These meetings play a significant role in the decision-making process of senior management. Expectations and demands of all of the Company's stakeholders are addressed within the frame of guidelines, and problems are resolved through mutual communication.

Although these models and mechanisms are not incorporated in the Articles of Association, they are included in the "Şişecam Constitution" prepared by the Company management.

4.3. Human Resources Policy

The Company's Human Resources Policy has been documented by the Parent Company. The bylaws and procedures prepared accordingly are posted on the internal portal for the information of the Company employees.

Recruitment and career planning are based on equality and transparency. These activities are carried out in line with the relevant provisions of the "Human Resources Systems Bylaws", and of the "Recognition Appreciation and Rewarding System".

The Recruitment Unit works to attract new graduates and other professionals by actively using all available recruiting methods and techniques, and by organizing various communication activities at universities and similar institutions.

The Company's Performance Management System runs in interaction with the vision, mission and strategies of the Group. The Balanced Scorecard System, launched by the Group in 2010, has been scaled down to personal targets, and the Success-Based Performance Culture is being converted into Success-Based Corporate Culture. The foundation of the Performance Management System is to create value for the employee and to ensure that the value created by the employee serves the development and sustainability targets of the Company.

Expectations of employees and the requirements of the organization are discussed annually by means of the Career Development Module, a part of the Performance Management System. Moreover, strategic career maps as well as the Group-based career and succession plans are developed using data from the Performance Management System.

The Company aims to win the necessary human resources for its organization while preserving a high level of loyalty among current employees, and creating a positive and competitive working environment.

The remuneration management system of the Group takes into account variables such as the wages in the market, the existing remuneration structure and payment ability, individual performance and job levels.

The Company employees are offered;

- An up-to-date competitive salary package that rewards success,
- A flexible and sustainable benefits package based on needs and expectations,
- A social structure that observes a balance between work and personal life,
- A productive, collectively fostered working environment open to communication, and
- Deep-rooted and innovative development and career opportunities aimed at global leadership.

To support the Company's continued existence, leadership and personal development programs focusing on individuals are implemented. In addition to competency training and professional/technical training courses, long-term certification programs are offered. Employees are encouraged to attend summits, symposiums and congresses held at home and abroad. Programs that support employees' foreign language and computer skills are offered.

Coordination meetings are held with Petrol-İş Trade Union organized at the workplaces owned by the Company, regarding the implementation of the collective agreement, industrial relations, and increasing productivity. Similarly, coordination efforts are carried out with trade unions organized in the overseas workplaces.

A Workplace Accidents Analysis and Corrective Actions & Preventive Actions (CAPA) Tracking System Project have been completed and put into practice as of January 2014. The system, which covers all workplaces and units including the management and sales centers, systematically tracks and controls workplace accidents and is integrated with the SAP system. Another pillar of the project, the CAPA system is intended to systematically and properly eliminate all irregularities resulting from OHSAS 18001, internal and external inspections, administrative and similar reasons, which present a risk of workplace accidents.

4.4. Code of Conduct and Social Responsibility

The Şişecam Group Code of Conduct formulated around the general principles of honesty, transparency, confidentiality, impartiality and compliance with laws based on the Parent Company's Board of Directors decision no. 49 and dated 20 July 2010 was put into effect. The Code introduced guiding principles that will steer the relationships of all Group employees with customers, suppliers, shareholders and other stakeholders. These guidelines were updated according to current needs based on the Board of Directors decision no. 33 dated 28 March 2013. The Code of Conduct is publicly disclosed on the corporate website of the Parent Company.

Our Company, along with Şişecam Group Companies, extends support to the "Project for Improving Vocational Education" carried out by the Governor's Office of Mersin, and had the Industrial Vocational High School constructed in order to be instrumental in educating a greater number of youngsters in a vocation. Comprising of 24 classrooms and one workshop, the high school is located in Tarsus Organized Industrial Site in Mersin (MTOSB).

The Company's other social responsibility initiatives include preservation of sea turtle populations in Kazanlı, Mersin, forestation, and various sports disciplines including sailing and rowing.

SECTION V - BOARD OF DIRECTORS

5.1. Structure and Formation of the Board of Directors

Through its strategic decisions, the Board of Directors observes the Company's long-term interests on the basis of rational and cautious approach to risk management, while maintaining an optimum balance between the Company's risk exposure, growth and return, and administers and represents the Company based on these principles.

The Board of Directors has defined the Company's strategic goals and identified the human and financial resources needs. The Board supervises the management's performance. The Board also oversees that Company activities are in compliance with the legislation, Articles of Association, internal procedures and established policies.

The Board of Directors is formed so as to allow the Board members to work productively and constructively, to make quick and rational decisions, and to facilitate establishment of committees and to let them organize their activities effectively.

There are executive and non-executive members of Board of Directors. A non-executive member of the Board of Directors is one who does not hold any administrative post apart from the seat on the Board of Directors, and who is not involved in the Company's day-to-day affairs and ordinary course of business. Most of the members of the Board of Directors consist of non-executive members. Tahsin Burhan Ergene, the President of the Chemicals Group, and Cihan Sırmatel, Financial Affairs Director, serve as executive members on the Board of Directors. The Chairman of the Board and the General Manager positions are held by different individuals. There are two independent members on the Board of Directors, who satisfy the criteria set out by the CMB's Corporate Governance Principals.

Independent members were designated in accordance with the processes stipulated in the Corporate Governance Principles on 06 April 2012 and presented to the Board of Directors on the same date. With their nominations approved in the Board of Directors meeting held on 10 April 2012, independent members and non-independent members have been elected for a term of office of three years at the 2011 Ordinary General Assembly Meeting held on 24 May 2012. Since the three-year term of office of the members of the Board of Directors will expire on the date of the Ordinary General Assembly Meeting to be held on 23 March 2015, the Board members will be elected during the said Ordinary General Assembly Meeting. The résumés of the Board of Directors members have been publicly disclosed in the related section of our annual report and on the Company's corporate website. No circumstances arose during the reporting period, which compromised the independence of independent members. The declarations of independence of independent members are presented below:

DECLARATION OF INDEPENDENCE

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

I hereby declare that I, as a member of the Board of Directors of Soda Sanayii A.Ş., still satisfy the "Independent Board Member" requirements set out in the Capital Market Law, communiqué, resolution and other regulations of the Capital Markets Board of Turkey, as well as the Articles of Association of your Company; that I will forthwith notify any circumstance that compromises my independence to the Board of Directors, together with the grounds therefor, to be disclosed on the Public Disclosure Platform, and that I will concurrently notify the same in writing to the Capital Markets Board of Turkey, and that I will act in line with the decision of your Board of Directors and comply with the requirements set out in Article 4.3.8 of the Corporate Governance Principles.

Yours faithfully,

Üzeyir Baysal

DECLARATION OF INDEPENDENCE

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

I hereby declare that I, as a member of the Board of Directors of Soda Sanayii A.Ş., still satisfy the "Independent Board Member" requirements set out in the Capital Market Law, communiqué, resolution and other regulations of the Capital Markets Board of Turkey, as well as the Articles of Association of your Company; that I will forthwith notify any circumstance that compromises my independence to the Board of Directors, together with the grounds therefor, to be disclosed on the Public Disclosure Platform, and that I will concurrently notify the same in writing to the Capital Markets Board of Turkey, and that I will act in line with the decision of your Board of Directors and comply with the requirements set out in Article 4.3.8 of the Corporate Governance Principles.

Yours faithfully,

Prof. Dr. Halil Ercüment Erdem

Subsequent to general assembly meetings, in which the Board members are elected, Chairman and Vice Chairman of the Board of Directors are designated through a decision on the distribution of duties. The current Board of Directors is comprised of two executive and four non-executive members named in the table below.

Approval of the General Assembly is sought under Articles 395 and 396 of the Turkish Commercial Code in order for the Chairman and members of the Board of Directors to engage in activities falling under the Company's scope on their own or other's behalf and to become shareholders in companies engaged in such businesses.

Board members can freely share and express their opinions, free from any influence. Pursuant to the Corporate Governance Principles, one woman member serves on the Board of Directors, Zeynep Hansu Uçar. There is not a target date or a target rate of minimum 25% in relation to woman Board members, nor has a policy been developed to attain such targets.

The Company has subsidiaries and associates. Considering that the participation of the Company's Board members also in the management of these companies is in the interests of the Group, no restrictions have been imposed upon assumption of these external posts. The external positions held by the Board members are stated below.

Name	Position	External Positions Currently Held
Tahsin Burhan Ergene	Chairman	Chairman of the Board of Directors at Oxyvit Kimya Sanayii ve Ticaret A.Ş., Cromital S.p.A., Şişecam Soda Lukavac D.o.o., and Şişecam Shanghai Trading CO. Ltd. Vice Chairman of the Board at Solvay Şişecam Holding A.G. Board Member at Solvay Sodi A.D., Şişecam Chem Investment B.V. Company Executive at Şişecam Bulgaria Ltd.
Soner Benli	Vice Chairman	Head of Retail Loans Allocation Department at Tibaş
Cihan Sırmatel	Member	Vice Chairman of the Board at Camiş Madencilik A.Ş., Madencilik Sanayii ve Ticaret A.Ş. and Camiş Elektrik Üretim A.Ş. Board Member at Cam Elyaf Sanayii A.Ş. and Şişecam Soda Lukavac D.o.o. Company Executive at Şişecam Bulgaria Ltd.
Zeynep Hansu Uçar	Member	Board Member at Kültür Yayınları iş Türk A.Ş., Anadolu Cam San. A.Ş., Anadolu Cam Yenişehir A.Ş., Camiş Madencilik A.Ş., Çayırova Cam San. A.Ş., Paşabahçe Cam San.ve Tic. A.Ş., Paşabahçe Mağazaları A.Ş., T.Şişe ve Cam Fabrikaları A.Ş., Trakya Cam San. A.Ş., Trakya Polatlı Cam San. A.Ş., Trakya Yenişehir Cam San. A.Ş., Cam Elyaf San. A.Ş., Anadolu Cam Eskişehir San. A.Ş., Camiş Yatırım Holding A.Ş., Avea iletişim Hizm. A.Ş., Asmaş Ağır San. Mak. A.Ş., iş Finansal Kiralama A.Ş., and iş Faktoring A.Ş.
Halil Ercüment Erdem	Member	Board Member at Anadolu Cam Sanayii A.Ş. and Paşabahçe Cam Sanayii A.Ş. Head of the Audit Committee, Corporate Governance Committee and Risk Committee at Anadolu Cam Sanayii A.Ş. Founding Partner of Erdem-Erdem Law Office and Erdem-Erdem Danışmanlık A.Ş. Faculty Member at Galatasaray University Independent Board Member at CMA-CGM and Yılport Holding A.Ş.
Üzeyir Baysal	Member	Independent Board Member at Denizli Cam Sanayii ve Tic. A.Ş. Head of Audit Committee, Corporate Governance Committee and Risk Committee at Denizli Cam Sanayii ve Tic.A.Ş. Board Member at Selçuk Ecza Deposu A.Ş., and Şekerbank T.A.Ş.

5.2. Operating Principles of the Board of Directors

The Board of Directors elects a Chairman and Vice Chairman subsequent to each general assembly meeting. However, if the Chairman and/or Vice Chairman vacate their seats for any reason, the Board of Directors will hold a new election for the vacated seats. The Vice Chairman will chair the Board of Directors in the absence of the Chairman. If the Vice Chair is also absent, then an individual to be elected from among Board members will temporarily chair that specific meeting. The date and agenda of Board meetings are determined by the Chairman. The Vice Chairman will fulfill these responsibilities in the absence of the Chairman. However, the meeting date can also be set by a decision of the Board of Directors. The Board will convene as and when necessitated by the Company's business affairs and transactions. However, the Board must meet at least monthly.

During the reporting period, the Board of Directors passed 63 decisions, all of them by unanimous votes of those present. No Board members expressed a dissenting opinion against the decisions made. When passing decisions, the Board of Directors observes the meeting and decision quorums set out in the Turkish Commercial Code, Capital Market Law and applicable legislation.

The information and documents related to topics included in the Board meeting agenda are made available for review by Board members allowing sufficient amount of time before the meeting and ensuring equal availability of information. Before a meeting, Board members may present the Chairman of the Board with proposed changes to the agenda. The opinion of any member who is unable to participate in the meeting but who submits his/her opinion to the Board of Directors in writing is presented for the information of other members. Each Board member has one vote.

At Board meetings, topics included in the agenda are discussed openly, addressing all relevant aspects. The Chairman of the Board spends his/her best efforts to ensure active participation of non-executive members in the Board meetings. Reasonable, detailed grounds for the dissenting votes of Board members are entered into the decision report. The reasons for dissenting votes are publicly disclosed. However, no such public disclosure was made in 2014 since such an opposition or dissenting opinion was not expressed in any Board meeting held during the reporting period.

Board meetings are generally held at the Company's head office, and Board decisions of material nature are publicly disclosed via KAP, which are then posted on the corporate website.

The powers and responsibilities of the members of the Board of Directors are clearly set out in the Articles of Association. The powers are exercised in accordance with the principles specified in the internal guidelines, which were drawn up in accordance with the Board of Directors decision no. 59 dated 21 November 2014 pursuant to Articles 367 and 371 of the Turkish Commercial Code, registered on 28 November 2014, and promulgated on 04 December 2014. The Board of Directors works in close cooperation with the Investor Relations Department for maintaining efficient communication between the Company and shareholders and for settlement of possible disputes, and leads the resolution of conflicts.

Insurance coverage is obtained for the losses that the Board members may cause to the Company due to their faults in the performance of their duties. However, the sum insured is not in excess of 25% of the Company's capital.

5.3. The Number, Structures and Independence of the Committees Set Up Under the Board of Directors

To facilitate due performance of the duties and responsibilities of the Board of Directors, a Corporate Governance Committee, an Audit Committee and Early Detection of Risk Committee have been set up under the Board. The fields of activity, operating principles, and members of the committees were determined by the Board of Directors, and publicly disclosed on the corporate website.

All members of the Audit Committee have been elected from among independent Board members. The heads of the Corporate Governance and Early Detection of Risk Committees are independent Board members, as well. The Corporate Governance Committee, the Early Detection of Risk Committee and the Audit Committee are formed of five, three and two members, respectively.

Chairman of the Board of Directors and the General Manager do not serve on any Committee.

The Board of Directors provides the necessary resources and support to the committees for the fulfillment of their functions. The committees are free to invite any manager they deem necessary to their meetings and seek his/her opinions.

The committees meet at adequate frequency, and all their activities are documented in writing and recorded. Reports covering information about their activities and meeting outcomes are presented to the Board of Directors.

The Audit Committee oversees the operation and efficiency of the Company's accounting system, public disclosure of financial information, independent audit, internal control and internal audit system. The Committee also defines the methods and criteria for the handling and resolution of complaints received in relation to the Company's accounting and internal control system and independent audit, as well as for ensuring that Company employees adhere to the confidentiality principle regarding the Company's notifications on accounting and independent audit. The Audit Committee reports its determinations in relation to its field of responsibility and duty, along with its assessments and suggestions to the Board of Directors in writing, and presents a written report to the Board of Directors covering its assessment of the accuracy and truthfulness of annual and interim financial statements to be publicly disclosed and their conformity to the accounting principles followed by the Company, incorporating the opinions of the Company's managers responsible for these subjects and of independent auditors.

The members of the Audit Committee possess the qualifications defined in the Communiqué on Corporate Governance. The activities of the Audit Committee and the results of their meetings have been disclosed in the annual report. Taking into consideration the competence and independence criteria of independent auditors, the Audit Committee proposes the independent audit firm it deems appropriate to the Board of Directors, which then designates the independent audit firm.

The Corporate Governance Committee determines whether the corporate governance principles are implemented across the Company, establishes the reasons for non-implementation, if applicable, and identifies conflicts of interest resulting from failure to achieve full compliance with these principles. The Committee suggests improvements to the corporate governance practices to the Board of Directors. Additionally, the Committee oversees the activities of the Investor Relations Department and the Shareholder Relations Department.

The Nomination Committee and the Remuneration Committee have not been set up; the functions of these committees are incorporated within the activities of the Corporate Governance Committee. The candidates nominated for independent member seats on the Board of Directors have been evaluated in view of the satisfaction of independence criteria under the applicable legislation and these evaluations have been reported.

The operating principles set out the following as the committee's duties: creating a transparent system for the identification, assessment and training of appropriate candidates for the seats on the Board of Directors; determining relevant policies and strategies; making regular assessments regarding the structure and efficiency of the Board of Directors; and making proposals to the Board of Directors in relation to possible changes to these aspects.

A remuneration policy has been established, which sets out the remuneration principles for the members of the Board of Directors and executives with administrative responsibility. The policy has been made public on the Group's corporate website.

Early Detection of Risk Committee works to early detect the risks that may threaten the Company's existence, thriving, and survival, to take necessary measures against the risks identified, and to manage the risks. The committee reviews the risk management systems of the Group companies and reports on the same.

As the Corporate Governance Principles stipulate that all members of the Audit Committee and the heads of other committees must be independent Board members, and since there are two independent members on the Board of Directors, Board members inevitably serve on several committees.

Audit Committee:

Head of Committee Üzeyir Baysal (independent member), and member Prof. Dr. Halil Ercüment Erdem (independent member).

Corporate Governance Committee:

Head of Committee Prof. Dr. Halil Ercüment Erdem (independent member), and members Üzeyir Baysal (independent member), Zeynep Hansu Uçar, Cihan Sırmatel and Asuman Durak.

Early Detection of Risk Committee:

Head of Committee Üzeyir Baysal (independent member), and members Prof. Dr. Halil Ercüment Erdem (independent member) and Zeynep Hansu Uçar.

5.4. Risk Management and Internal Control Mechanism

Operating in an intensely competitive environment, the Company implements efficient risk management and internal audit processes in order to provide adequate risk assurance to its stakeholders.

The uncertainty environment created by the global crisis that has been ongoing since 2008, combined with the intense competitive conditions, increasing customer expectations, tightened regulatory requirements and developments in corporate governance, caused shareholders, in particular, and stakeholders, in general, to demand higher levels of risk assurance. As a result, companies began constantly questioning the efficiency of their risk management and internal audit processes.

Hence, our Company carries out the said questioning on a continous basis, and addresses existing and potential risks with a proactive approach and carries out audit activities with a “risk-based” perspective.

The results of regular and planned meetings held with the Early Detection of Risk Committee, the Audit Committee and the Corporate Governance Committee set up at our Company are reported to the Boards of Directors in accordance with the legislation.

During the activities carried out with the aim of establishing a corporate structure, providing the required assurance to stakeholders, protecting the tangible and intangible assets of the Company, minimizing the losses caused by uncertainties and maximizing benefit from potential opportunities, communication between the internal audit and risk management functions is maintained at the maximum level and is directed toward the goal of supporting decision-making processes and increasing management efficiency.

Risk Management at the Company:

At the Company, risk management is carried out with a holistic and proactive approach based on enterprise risk management principles. The interaction of risks and the risks the Company is exposed to in any one of the business lines it is engaged in are integrated into risk processes before those risks materialize in any other business line. The interaction of risks with each other is monitored. Thus, decision support processes are assisted and efficient use of resources is ensured.

The risk catalogs for all business segments across the Company are periodically updated with the involvement of the Company’s employees, and risks are ranked according to their importance. The strategies to be implemented in relation to analyzed risks are determined in view of the risk appetite of the Board of Directors, and necessary measures are taken. These risk management activities are not restricted to financial and strategic risks; they also cover operational risks such as production, sales, occupational health and safety, emergency management and information technologies.

Internal Audit at the Company

The internal audit activities at the Şişecam Group have been structured under the Parent Company. The Company’s internal audit activities that have been long carried out by the Parent Company are aimed at helping the companies affiliated to the Parent Company thrive soundly, ensuring uniformity in practice, guaranteeing that all activities are carried out in accordance with internal and external legislation, and corrective measures are taken in a timely manner. In line with these objectives, audit activities are undertaken on an ongoing basis at the Şişecam Group’s domestic and overseas establishments. Internal audit is carried out in accordance with periodic audit programs that are approved by the Parent Company’s Board of Directors. The audit programs are prepared using the results of risk management activities, meaning that risk-based audit practices are implemented.

5.5. Strategic Goals of the Company

The process by which the Company establishes, reviews and updates its strategic goals starts with the Vision statement spelled out by the Şişecam Board of Directors. Şişecam Board of Directors defined the 2020 target for the Chemicals Group as follows: “The Chemicals Group is a business that ranks among the world leaders in its key areas of competence, capitalizes on new opportunities creating synergy with its existing activities, and produces global solutions with its customers through environment-friendly technologies.” The vision of Soda Sanayii A.Ş. operating under the Chemicals Group is as follows: “Being one of the world’s leading soda ash suppliers, Soda Sanayii aims to strengthen its solid position in the soda ash industry, and to maintain and further consolidate its leader position in the chromium chemicals sector in all product groups that it is engaged in.”

The second step is a series of analyses aimed at understanding the conditions under which operations will be pursued in order to fulfill the requirements of the vision. The analysis that is directed towards the organization is carried out under the name Internal Analysis, whereas the other one covering a broad area including the market, competition, industries from/to which inputs are procured/supplied, various geographies, consumers and suppliers, etc. is carried out under the name External Analysis. These analyses are followed by the creation and/or updating of Strategic Maps. A Strategic Map determines the topics Soda Sanayii will focus on under the headings Finance, Customers, Processes and Intangible Assets, as well as the differentiating (strategic) elements that it will excel in. A Strategic Map is diversified on the basis of business lines, thus creating the future roadmap for the activities. Each strategy defined on the map is linked to a Performance Indicator, the level of success desired to be reached by this indicator, and the projects and organizational structure necessary for the said effectiveness.

The Corporate Performance Program is used to measure and monitor the success of the strategy in practice. The program provides opportunity for performance assessment through monitoring meetings held during the year. Performance is scaled down from a corporate level to employee level by linking the Individual Performance Management System to the Strategic Plan.

5.6. Financial Rights

All rights, benefits and remuneration provided to the members of the Board of Directors are determined each year by the General Assembly, as set out in the Articles of Association. At the Company's 2013 Ordinary General Assembly meeting held on 02 April 2014, the monthly remuneration to be paid to the members of the Board of Directors have been determined, and then publicly disclosed.

The remuneration principles for the senior executives of the Company have been documented, presented for the information of shareholders under a separate agenda item at the Ordinary General Assembly of Shareholders held on 02 April 2014, and posted on the Company's corporate website.

The Company's senior executives do not receive any payments directly indexed to turnover, profitability or other key indicators, which can be technically considered as a premium. In addition to cash payments including salaries, bonuses, and fringe benefits, the Company's senior executives are paid a sum under the name bonus payment once a year, which is based on various criteria including the nature and risk level of the Company's operations, the magnitude of the structure that is administered and conducted, and the sector in which the Company is engaged, and is either increased, or kept unchanged, as the case may be, in view of various indicators such as inflation, overall salary increases and the rise in the Company's profitability. Furthermore, company cars are provided to the Company's senior executives as part of intangible benefits.

Within this scope, total payments made to the members of the Board of Directors and senior executives within the frame of the remuneration policy are disclosed in the notes to the financial statements. Non-disclosure of the benefits provided on the basis of individuals has not led to a conflict of interests.

The Company does not lend any money or extend credit to the Board members and executives, does not grant any personal loans through a third party, or furnish any collateral such as guarantee in their favor.

1. Election of the Presiding Board and authorization of the Presiding Board to sign the General Assembly meeting minutes

2. Reading out the Board of Directors' Activity Report regarding the Company's 2014 operations, and the summary of the Independent Auditor's report

3. Examination, deliberation and ratification of the balance sheet and income statements for 2014

4. Acquittal of the members of the Board of Directors

5. Election of the members of the Board of Directors

6. Determination of the remuneration to be paid to the members of the Board of Directors

7. Authorizing the Board of Directors members pursuant to Articles 395 and 396 of the Turkish Commercial Code (TCC)

8. Decision on the distribution manner and timing of 2014 profit

9. Decision on the designation of the independent audit firm pursuant to the Turkish Commercial Code (TCC) and the CMB regulations

10. Provision of information to shareholders regarding the donations made during the reporting period and determination of the upper limit of donations to be made in 2015

11. Provision of information to shareholders regarding guarantees, pledges and mortgages provided in favor of third parties

CAPITAL INCREASE, CHANGES TO THE ARTICLES OF ASSOCIATION AND PROFIT DISTRIBUTION DURING THE REPORTING PERIOD

The additional amendment to “Article 3 - Purpose and Scope” of the Company’s Articles of Association was approved by the permission letters of the CMB no. 29833736-110.03.02-382/1895 dated 24 February 2014, of the Energy Market Regulatory Authority no. 85780303-110.01.01.01 dated 21 February 2014, and of the T.R. Ministry of Customs and Trade Directorate General of Domestic Trade no. 67300147/431.02-1934-294386-1907-1136 dated 26 February 2014, and ratified at the Company’s Ordinary General Assembly of Shareholders meeting held on 02 April 2014.

Out of the dividends in the amount of TRY 92,000,000, which was decided to be paid out to shareholders out of 2013 profit at the Ordinary General Assembly meeting held on 02 April 2014, TRY 46,000,000 was distributed in cash on 30 May 2014, and TRY 46,000,000 was added to the capital and distributed to shareholders as bonus shares based on the CMB permission no. 18/578 dated 13 June 2014, and upon registration of the same by İstanbul Trade Registry Office on 26 June 2014. As a result of the capital increase, the paid-in capital went up from TRY 457,000,000 to TRY 503,000,000.

OTHER MATTERS

The Conclusion section of the “Affiliated Company Report” drawn up pursuant to Article 199 of the Turkish Commercial Code is as follows:

In all transactions realized in 2014 with the controlling company, and the subsidiaries thereof, our Company adhered to the provisions of the legislation governing disguised profit distribution through transfer pricing, and no situations arose in 2014, which would have required equalization of losses by reason of the transactions described above.

Legal Basis of the Annual Report

The Annual Report of the Group for 2014 fiscal year has been prepared in conformity with the provisions of the “Regulation on the Minimum Contents of Annual Reports of Companies” issued by the Ministry of Customs and Trade based on Articles 516 (3) and 518 of the Turkish Commercial Code and of the CMB Communiqué on Principles of Financial Reporting in Capital Markets.

Preparation Principles of the Annual Report

The annual report presents an accurate, complete, fair and true view of the flow of the Company’s affairs and transactions in the relevant fiscal year, and all aspects of its financial status, in a manner that also observes the Company’s rights and interests. The annual report does not contain any deceitful, exaggerated, false or misleading statements.

Care is taken to prepare the annual report in sufficient detail to give shareholders full and accurate access to all information about the Company’s operations and activities.

Approval of the Annual Report

The Group’s annual report for 2014 fiscal year has been signed and approved by the members of the Company’s Board of Directors on 27 February 2015.

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

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

Auditor's Report on the Board of Directors' Annual Report

1. We have audited the annual report of Soda Sanayii A.Ş. (the "Company") and its Subsidiaries (collectively referred to as the "Group") for the period ended 31 December 2014.

Board of Directors' responsibility for the Annual Report

2. The Group's management is responsible for the fair preparation of the annual report and its consistency with the consolidated financial statements in accordance with Article 514 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and for such internal control as management determines is necessary to enable the preparation of the annual report.

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's annual report based on the independent audit conducted pursuant to Article 397 of TCC and the Communiqué, whether or not the financial information included in this annual report is consistent with the Group's consolidated financial statements that are subject to independent auditor's report dated 27 February 2015 and presented fairly.

   Our independent audit was conducted in accordance with Independent Auditing Standards that are part of the Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial information in the annual report is fairly presented and consistent with the consolidated financial statements.

   An independent audit requires applying audit procedures to obtain audit evidence on the historical financial information. The procedures selected depend on the professional judgement of the independent auditor.

   We believe that the independent audit evidences we have obtained during our independent audit, are sufficient and appropriate to provide a basis for our opinion.

Opinion

4. Based on our opinion, the financial information in the annual report of Board of Directors of Soda Sanayii A.Ş. is consistent with the audited consolidated financial statements and presented fairly, in all material respects.

Other Responsibilities Arising From Regulatory Requirements

5. Pursuant to subparagraph 3 of Article 402 of the TCC No. 6102, within the context of ISA 570 "Going Concern", we have not encountered any issue with regard to the inability of the Group to continue its operations for the foreseeable future.

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

Cihan Harman, SMMM
Partner

Istanbul, 27 February 2015

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