SODA SANAYİİ A.Ş.

ANNUAL REPORT
2013

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Contents

FINANCIAL INDICATORS

SUMMARISED CONSOLIDATED BALANCE SHEET/FINANCIAL POSITION

	2013		2012	
	Mio TL	Mio USD	Mio TL	Mio USD
Current Assets	800	375	530	297
Non-Current Assets	980	459	879	493
Total Assets	1.780	834	1.409	790
Short-Term Liabilities	288	135	304	170
Long-Term Liabilities	256	120	108	60
Equity	1.236	579	998	560
Total Equity and Liabilities	1.780	834	1.409	790

SUMMARISED CONSOLIDATED INCOME STATEMENT

	2013		2012	
	Mio TL	Mio USD	Mio TL	Mio USD
Revenue	1.404	738	1.182	660
Cost of Sales	(1.115)	(586)	(940)	(524)
Gross Profit	288	152	243	136
Operating Expenses	(119)	(63)	(105)	(58)
Other Operating Income and Expenses	30	16	0	0
Profit/Loss from Investments Valued Equity Method	37	19	16	9
Operating Income/Loss	236	124	154	86
Investment Income and Expenses	1	1	1	1
Operating Profit Before Financial Expenses	237	125	155	86
Financial Income (Expense) (Net)	4	2	(12)	(7)
Profit Before Taxes from Continuing Operations	241	127	143	80
Taxes Related to Continuing Operations	(33)	(17)	(10)	(5)
Current Tax Income/ (Expense)	(38)	(20)	(21)	(12)
Deferred Tax Expense	5	3	12	7
Net Profit of the Period	208	109	133	74
Distribution of Net Profit				
-Non-Controlling Interests	2	1	1	1
-Shareholders' Equity	206	108	132	74
Earnings Before Interest and Taxes (EBIT) (*)	237	125	155	86
Depreciation	88	46	69	39
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (*)	326	171	224	125
Net Cash from Operations	19	10	104	58
Net Financial Liabilities**	(34)	(16)	44	25

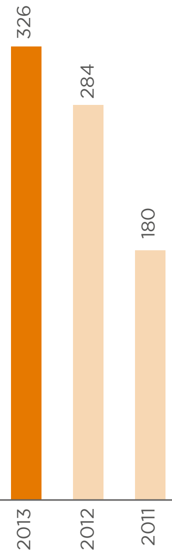
FINANCIAL RATIOS

	2013	2012
Current Assets / Short-Term Liabilities	2,78	1,75
Equity / Total Equity and Liabilities	0,69	0,71
Total Liabilities/ Equity	0,44	0,41
Net Financial Liabilities / Total Equity and Liabilities	(0,02)	0,03
Net Financial Liabilities / Equity	(0,03)	0,04
Gross Profit / Revenue	0,21	0,21
EBITDA (*) / Revenue	0,23	0,19
EBIT (*) / Revenue	0,17	0,13
Net Financial Liabilities/ EBITDA (*)	(0,10)	0,20

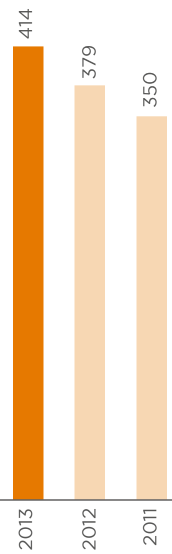
* *Operating profit before financial expenses used for calculating EBIT and EBITDA. EBIT and EBITDA are not financial performance measures identified in TFRS and may not be compared with similar indicators identified by companies.*

** *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 $)

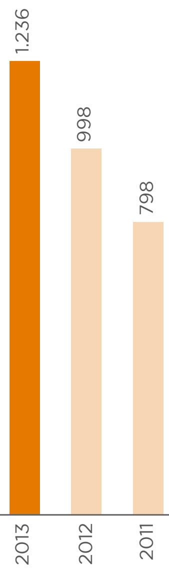


INTERNATIONAL SALES
(Mio Fob $)

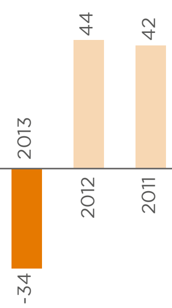


TOTAL ASSETS
(Mio TL)

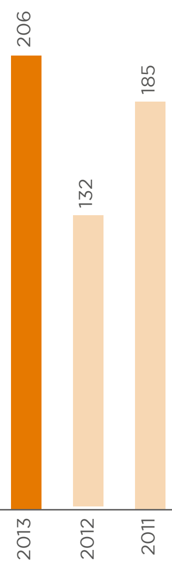
EQUITY
(Mio TL)



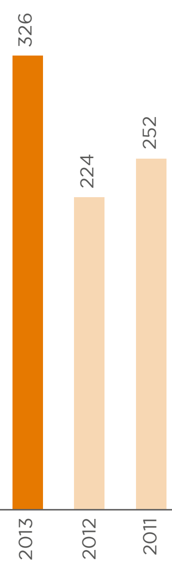
NET FINANCIAL DEBTS
(Mio TL)



NET PROFIT
(Mio TL)



EBITDA
(Mio TL)



Production Plants

Mersin Soda Plant

Turkey

Mersin Kromsan Plant

Turkey

Soda Lukavac d.o.o

Bosnia-Herzegovina

Solvay Sodi AD

Bulgaria

Cromital S.p.A

Italy

Oxyvit Kimya Sanayii ve Ticaret A.Ş.

Turkey

2 million tons of soda production in 2013

Production in 4 countries

Turkey, Bulgaria, Bosnia-Herzegovina, Italy

Sabahattin Günceler
Chairman[1]
(62) Upon graduation from the Middle East Technical University Chemical Engineering Department, Günceler began his professional career at Azot Sanayii T.A.Ş.. He joined the Şişecam Group in 1982 and served in various management level positions the areas of research and production. In 1997, he became the General Manager of Camiş Elektrik Üretim A.Ş.. Günceler was appointed as the Executive Vice President of the Chemicals Group in February 2011.

Soner Benli
Vice Chairman
(45) Benli completed his studies at the London City University Business School MSC Department of Banking and Finance and embarked on his professional career as a Deputy Inspector at Türkiye İş Bankası's Board of Inspectors Directorate on July 29, 1994. In 2002, he was appointed as the Assistant Manager of the Risk Management Division and, in 2006, as the Group Manager in the same division. Promoted to Manager of Commercial Loans in the Underwriting Department in 2007, Benli later became the Manager responsible for the Loan Risk Management and Portfolio Monitoring Department. He has been the Manager of Retail Loans in the Underwriting Division since 2012. Benli serves as a member of the Board of Directors and Board of Auditors of the subsidiaries under Türkiye İş Bankası A.Ş. and Türkiye Şişe ve Cam Fabrikaları A.Ş.

Cihan Sırmatel
Member[2]
(56) After he graduated from the Marmara University Faculty of Commercial Sciences in 1980, Sırmatel completed his graduate studies in Accounting and Auditing Expertise at Istanbul University. Following that, Sırmatel received a year of Pedagogical Training at Ankara University's Faculty of Education. Sırmatel began his work career in 1980 at Trakya Cam Sanayii A.Ş. under the auspices of Türkiye Şişe ve Cam Fabrikaları A.Ş. and was based in Lüleburgaz. Appointed as a Şişecam Inspector in 1989, Sırmatel conducted various inspections and investigations at Türkiye Şişe ve Cam Fabrikaları A.Ş. and its subsidiaries. In 1994, he was designated as the Financial Resources Manager for the Şişecam Chemicals Group. Promoted as the same Group's Manager of Financial Affairs in 2002, Sırmatel has served as the Director of Financial Affairs for the Chemicals Group since 2011. Having the title of Certified Public Accountant and Financial Advisor, Sırmatel is a member of TURMOB (Union of Chambers of Certified Public Accountants and Sworn-in Certified Public Accountants of Turkey), the Institute of Internal Auditing of Turkey and the Expert Accountants Association of Turkey. Sırmatel serves on the Boards of Directors of the subsidiaries under the Chemicals Group.

Zeynep Hansu Uçar
Board Member[3]
(42) Having completed her studies in the Department of Business Administration at the Middle East Technical University Faculty of Economic and Administrative Sciences, Uçar commenced her professional life in 1994 at Türkiye İş Bankası A.Ş., serving in the Department of Partnerships as an Assistant Investment Expert. Having worked as an executive for several group companies at various levels of management in the same department, Uçar has been serving as the Unit Manager of the Subsidiaries Department since 2007. She serves as a member of the Board of Directors and the Board of Auditors of the subsidiaries under Türkiye İş Bankası A.Ş. and Türkiye Şişe ve Cam Fabrikaları A.Ş..

Prof. Dr. Halil Ercüment Erdem

Independent Member[4]

(52) 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 assistant 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 assistant 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 and, 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[5]

(52) Baysal is a 1984 graduate of the Department of Economics and Finance at the Ankara University Faculty of Political Sciences. He began his professional career as an Assistant Auditor at the Board of Sworn-in Bank Auditors. He was a Sworn-in Bank Auditor at the same institution from 1988 to 1996. Baysal was appointed as the Sworn-in Senior Bank Auditor at the Banking Regulation and Supervision Agency in 1996, where he worked until his retirement from this same position on March 30, 2012. Baysal has no relationship with Soda Sanayii or any related parties.

1 On January 2, 2014, Mr. Tahsin Burhan Ergene, who is not a shareholder, was appointed to replace Mr. Sabahattin Günceler as a Board Member in accordance with Article 363 of the Turkish Commercial Law. The decision will be submitted to the approval of the first general assembly.
2 Member of the Corporate Governance Committee
3 Member of the Corporate Governance Committee and Member of the Early Risk Detection Committee
4 President of the Corporate Governance Committee, Member of the Early Risk Detection Committee and Member of the Auditing Committee
5 Member of the Corporate Governance Committee, President of the Early Risk Detection Committee and President of the Auditing Committee

The competencies of Members of the Board of Directors serving during the May 24, 2012 to May 24, 2015 period are defined under the terms of the Turkish Commercial Law and the Articles of Association.

Directors

Adı Soyadı	Görev Unvanı	Topluluğa Giriş Tarihi
Sabahattin Günceler	Executive Vice President of the Chemicals Group	24.06.1982
Hidayet Özdemir	Vice-President of Production	04.08.1986
Tahsin Burhan Ergene[1]	Vice-President of Marketing and Sales	01.08.1990
Cihan Sırmatel	Director of Financial Affairs	15.10.1980
Kevser İnceler	Director of Planning	01.04.1999
İmran Eroğul	Director of Human Resources	26.02.1985
Mehmet Gürbüz	Soda Sanayii A.Ş. / General Manager	18.07.1983
Yalçın Orhan	Oxyvit Kimya Sanayii ve Ticaret A.Ş. / General Manager	02.05.1983
Umut Barış Dönmez	Şişecam Soda Lukavac d.o.o / General Manager	20.11.2006
Tamer Akköseoğlu	Cromital SpA / General Manager	01.06.1996
İlham Güven	Asmaş Ağır San. Mak. A.Ş. / General Manager	19.01.1981

1 Mr. Tahsin Burhan Ergene was elected to replace Mr. Sabahattin Günceler, who retired on January 2, 2014. As of the same date, Mr. Cenk Nuri Soyer was appointed as the Vice President of Marketing and Sales.

Dear Shareholders,

In spite of all the troubles and difficulties faced by our country and the world in 2013, our Company, a member of the Türkiye Şişe ve Cam Fabrikaları A.Ş. Chemicals Group, completed its 45th year of passionate and committed operations on a successful note, thereby fulfilling our aim of contributing to the strengthening of the national economy,

As we all are aware, following the deepening global recession of 2012, the global economy entered a distinct period of recovery with the positive indicators coming from the USA in the second half of 2013. Subsequent to the improvements in the labor market and inflation in the USA at the end of 2013, the year 2014 is expected to be one of more balanced growth. In the wake of a lengthy recession, the Euro zone, one of our Company's major markets, which still remains subject to the adverse impact of the global crisis, has begun to exhibit some tendencies towards a limited recovery.

Furthermore, growth in developing countries also slowed and financial fragility related to changeable capital flows increased. As the driving power behind global growth, China and India, putting on the brakes, Russia's growth is following a horizontal path. Thus, it is not declining, but continuing to increase. Meanwhile, growth in East Asia, the Pacific Region and Latin America reached the anticipated levels.

Concerning Turkey, in general our economy is growing. Deficit-reduction policies appear to have been helpful in enabling the economy to maintain its stability in the first half of 2013. However, the fact that growth has been predicated on debt, marked by a high external deficit and currency devaluation, makes the economy more vulnerable to changes in the global financial markets. This also increases the need for structural reforms. With the continually increasing level of Turkey's dependency on foreign finances, internal and external political fluctuations cause the country's risk premium to increase. Nonetheless, Turkey's economy is expected to grow at a moderate pace and a rate of 3,5% growth has been predicted for 2014.

Soda San. A.Ş., despite the global scale of the recession, increased its activities in emerging markets in 2013 and performed in a stable manner in terms of goods and services quality, market diversification and penetration of target markets. Increasing its sales income, Soda Sanayii performed successfully last year in terms of international sales.

Parallel to the chain of economic and political uncertainties in the world in general, and Europe in particular, in 2013, growth in the soda industry exhibited regional variations, as had been the case in 2012. Despite these regionally-based differences, the soda industry grew by 3% worldwide in 2013.

Our Company entered the ranks of Europe's top four, and the world's top ten soda producers in 2013, thanks to our production of approximately two million tons of soda last year at our Mersin and Bosnia plants, as well as at the Solvay Sodi plant of our manufacturing partner in Bulgaria.

Summing up, the Soda product group successfully completed 2013, exceeding targets for sales income and profitability. In taking over the number one position as the leading soda producer in its own country by completing investments that increased its capacity and production, and at the same time broadening its market penetration, the Bosnia Factory continued on its rapid rise in the South Eastern European market.

The global chromium compounds industry, as a consequence of the global recession, last year witnessed a drop in demand from industries using chromium chemicals. With particular respect to the fragility and declining growth of the economies in developed countries, the leather and metal coating industries served by the Group were especially impacted in a negative manner.

Despite this, the chromium products Group ended 2013 on a successful note, with income from sales and profits exceeding targets.

Thanks to the investments completed, Kromsan maintained its position as the world's largest producer of Sodium Bichromate and Basic Chromium Sulfate, as well as the third biggest producer of Chromic Acid.

In line with our growth vision for 2014, in the coming year our Company will continue to intensify work in maximizing the use of the capacity created by our existing plants at the optimum level to enhance our performance and, by continuing with our investments, growing through strategic collaborations. We also intend to increase our mastery of profitable markets and enhance our product portfolio with value-added products. Likewise, we plan on continuing to undertake regional expansion projects, increasing the penetration of target markets while opening up new ones, perfecting customer-oriented business procedures and increasing our energy efficiency.

On behalf of Soda Sanayii A.Ş., we wish to thank all our partners, stakeholders and shareholders for their huge contribution to our success. We especially express our appreciation to our employees, whose hard work, dedication and self sacrifice has given us this fine result. To all of you we offer our sincerest gratitude and deepest respect.

The Board of Directors

Activities in 2013

Despite the global recession, Soda Sanayii A.Ş. increased its activities in developing markets and presented a stable and successful performance in 2013, owing to its product and service quality, market diversification and successful penetration into target markets.

As was the case in 2012, growth in the soda industry varied from region to region; the demand for soda ash increased in Asia, the Middle East and Africa, throughout the year while remaining stagnant in the United States and Europe. The soda ash demand in China and India grew above the world average. Despite the regional differences, the world soda ash industry grew by 3% in 2013.

In 2013, the progress in demand of industries to which Soda Sanayii provides services indicates that the vulnerability, decelerated growth and shrinkage, especially in developing countries, have been negatively affecting the glass industry. While recession prevailed in Europe, the demand in the glass industry in the soda market of India and China, which grew above the world average, increased slightly.

Slight recovery was observed in Europe, meanwhile the demand in the glass and detergent industries in India and China increased. The economic recovery commencing in Europe during the second half of the year was not felt to the same degree in the construction industry where flat glass is used, while the automotive industry recovered slightly.

Although the global recession experienced throughout 2013 was especially felt by the domestic textile industry, the use of soda ash in this industry also increased during the last quarter of the year. In Turkey demand in the glass industry for soda ash remained flat throughout 2013, but increased slightly during the last quarter. On the other hand, demand for soda in the detergent industry grew, owing to increasing exports to the Middle East.

Soda Business achieved a successful performance in 2013 with an increase of 15% in sales revenues despite the stagnation felt in Turkey as a result of the global economic conditions. The Group produced approximately 2 million tons of soda at its plants in Mersin, Bosnia and in the Solvay Sodi Plant, which is a production joint venture in Bulgaria. Being the 4th largest soda producer in Europe and the 10th in the world, Soda Sanayii performed 64% of the sales done from these three facilities to the international markets.

With the objective of business to expand the share of the value-added products within the product portfolio, the Group invested in Mersin Soda Plant in 2013 to increase the production capacity of refined sodium bicarbonate. Marketing activities and brand-building projects continue as planned. In addition, the Group continued investments aimed at strengthening the operational performance, reducing energy costs and increasing productivity in order to enhance the competitive power.

In parallel with investments completed for capacity expansion and production increase, the Soda Lukavac d.o.o factory which has developed its market penetration and achieved leadership in soda production within its own hinterland, continued to rise in the Southeastern European market. As one of the largest exporters in Bosnia-Herzegovina, the Company received, for the second time the "Best Foreign Investor" award by the Bosnia-Herzegovina Foreign Investment Encouragement Agency in 2013.

In 2014, in line with its aim to grow in the soda industry, the Group plans to enhance its dominance in strategically important markets that display high potential and profitability by utilizing its production capacity at optimum levels. The Group aims to continue in projects for increasing geographical expansion and widening the product portfolio that would contribute to profitable growth. The focus in 2014 will again be the completion of the branding process

Having expanded its activities in developing markets, Soda Sanayii increased its sales revenues by 19% in 2013, owing to its product and service quality, market diversification and successful penetration into target markets

for value-added products which will help increasing the contribution in an environment of rising production costs and intense competition.

In 2013, due to globally instable economic circumstances, a shrinkage was observed in industries using chromium chemicals as input.The leather and metal plating industries, to which the Group supplies chromium compounds, were adversely affected by the economic climate. The instability and the economic recession, especially in the USA and Europe, caused a decline in production in China, who is an important supplier of these regions.

The impact of the global stagnancy over domestic chromium chemicals industry in 2013 was especially felt in the metal plating industry while the leather industry maintained flat in economic terms. Despite the fact that, the Group exhibited a successful performance in chromium chemicals in 2013 and increased the sales revenues above its targets. The Group generated 81% of its sales revenues in chromium chemicals from international markets. As of 2013, in terms of the sales from all facilities, the number of export countries and customers has increased.

Kromsan Chromium Compounds Plant, one of the leading factories in the world in terms of production technology and environmental standards, is the leader in the production of sodium dichromate and basic chromium sulfate and the 3rd largest producer of chromic acid in the world.

After the acquisition of Cromital SpA in Italy by Soda Sanayii A.Ş. in 2011, the Group has become one of the major players in the production and sale of chromium chemicals in Europe. Following the path of becoming a center that covers the liquid basic chromium sulfate demand of the European market, Cromital SpA also occupies an important position in the value-added chromium III chemicals market. Being the only facility licensed for treatment and recovery of chromium-containing effluent of the Italian coating industry, Cromital SpA is capable of reusing recovered chromium in its own production. As a new business segment, Cromital SpA started the sales of sodium bicarbonate to leather and flue gas treatment industries in 2013 and aims to continue the same with increasing performance.

In the field of chromium chemicals, the Group participated the All China Leather Fair in Shanghai, China and the FIMEC Leather Fair in Novo Hamburgo, Brasil in 2013.

In accordance with its vision to grow in the chromium industry, the Group plans to expand its markets through geographic penetrations and grow in developing markets through strategic cooperations, and aims to increase sales revenues by optimum utilization of the capacities in its existing plants. In the export markets that were diversified in recent years the priority will be intensifying the Group's activities in emerging markets. The Chromium Chemicals Business will be resolute to maintain its customer-focused approach in all marketing and sales activities in accordance with the role and responsibilities it possesses as a global player. In addition, the production and sales of new products supporting environment-friendly technologies are among the priorities of the Group.

Soda Sanayii A.Ş. is self-sufficient in production of its steam required for the process thanks to its integrated Cogeneration Plant. The Cogeneration Plant, with an electricity generation capacity of 252 MW, produced 4.1 million tons of steam and realized production and sales of 1.8 million kWh of electricity in 2013.

INVESTMENTS

A capacity increase investment for refined sodium bicarbonate was accomplished in the **Mersin Soda Factory** in order to benefit from the increasing market demand and new end use industries. Thus, production capacity for


refined sodium bicarbonate reached 150 thousand tons per year. In addition, the fourth steam turbine investment was completed and energy efficiency was increased.

An application has been made for closing the investment incentive certificate dated 29.07.2010 and numbered 97492 received for the period 2010-2012, and as the result of the investigation, the certificate was closed with the letter dated 06.12.2013 and numbered 80804. For the investments in the period 2013-2014, a new incentive certificate dated 06.08.2013 and numbered 111429 has been received.

Investments for capacity increase in the **Kromsan Factory** have been completed, and improvement in productivity has been achieved. In addition, our companies continue to make modernization investments aimed at strengthening the operational performance, reducing energy costs and improving efficiency in line with the aim of profitable growth.

Application procedures have been completed for the closure of the investment incentive certificated dated 24.05.2011 and numbered 101356. A new investment incentive certificated dated 01.10.2013 and numbered 112017 has been received for the investment in the period 2013-2014.

In 2013 works have been continued for capacity increase in **Şişecam Soda Lukavac Factory** and as of the end of the year, production capacity reached 420 thousand tons/year. In accordance with market demand, production capacity has been increased for refined sodium bicarbonate.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group's R&D activities are carried out with the aim of improving the processes used in the production of soda and chromium compounds with environmentally-friendly and low-cost technologies, as well as the enrichment of the product portfolio with high value-added new products, increasing competitiveness by focusing on the reduction of costs and raising productivity.
In 2013, for Soda Business, implementation of projects for refined sodium bicarbonate for different end use segments were continued while studies were conducted for the production of new value-added products and enhancing productivity.

In the Chromium Chemicals Business, researches aimed at increasing the efficiency of the new tanning agent was carried out, also operations involving the chromium III product range and laboratory and pilot-scale studies for manufacturing high value-added products were continued.

ENVIRONMENT AND QUALITY ACTIVITIES

Soda Sanayii A.Ş. has continued its management system applications in order to carry out its activities in a manner to protect the health and safety of all its employees and customers as well as the environment.

In 2013:

- Certificates of Conformity for our Soda and Chromium products were renewed,
- Certificate of Conformity for food-type refined bicarbonate was received,
- Certificate renewal audits were carried out for ISO 9001:2008 Quality Management System at the Soda and Kromsan Factory, ISO 22000 Food Safety Management System related to our Refined Bicarbonate product, and GMP+ Management System related to the food-type refined bicarbonate.
- Global Food Safety Management System ISO FSCC 22000 Certificate was received for our Food-type Refined Bicarbonate product, and interim audits for Kocher and Halal Certificates were successfully completed,
- ISO 9001:2008, ISO 14001 and OHSAS 18001 were received for the Cogeneration Electricity-Steam Production Plant,
- Interim audits were completed with success for ISO 14001 Environment Management System which is implemented as the "Integrated Management System" and OHSAS 18001 Occupational Health and Safety Management System.
- Soda Sanayii A.Ş. has carried out its planned activities in compliance with the Environmental Impact Assessment Regulation.

REACH

As a company exporting to the EU in significant amounts, Soda Sanayii substantially completed the work on the registration of both soda and chromium products to meet the responsibilities under the REACH Regulation, which has a major importance for exporting chemical products to the EU. While the authorization process for our Chromic Acid product under REACH, started in 2012, has continued in 2013, the registration process for our Chromium Nitrate product started in the first half of 2012, and the official registration of the product was completed on May 28, 2013.

In 2013 as well, practices under Responsible Care which is conducted voluntarily in world chemicals industry, has been continued. In this context, together with the management system applications, the following activities have been held as communication activities:

- Activity for the plantation of 3000 trees,
- 12th traditional painting competition among primary schools under the theme titled "Nature and Environment",
- Visit requests received from schools and NGOs,
- Sponsorship for Kazanlı İlkokulu Kaplumbağa Magazine,
- Kite Festival for handicapped children.

Soda Sanayii also sponsored the Mersin International Music Festival, and supported as the sole and main sponsor for the Sea Turtle Population Research, Monitoring and Conservation Project carried out at Kazanlı Coast by the Mersin University under the supervision of the Ministry of Forestry and Water Affairs.

As a company paying close attention to social responsibility, Soda Sanayii A.Ş. will continue to carry out its activities by focusing on environment, occupational health and safety applications without compromising on quality.

HUMAN RESOURCES ACTIVITIES

As of the end of 2013, our company is staffed by a total of 1680 individuals, comprising 697 personnel on monthly salaries and 983 personnel on hourly wages.

The human resources practices of our Company are implemented in compliance with the corporate values of the Şişecam Group and all relevant legislation and regulations, while guarding the common interests of both the employee and employer.

All human resources practices at the Company such as recruitment, education, performance, administration, optimum staff analyses, reorganization projects, salaries, career management and substitution systems, are conducted in accordance with the law and regulations and guarding the mutual interests of employer and employee.

Internal and external training programs are carried out for the development of employee skills and competencies and employee development is supported through participation in domestic and overseas education/certificate programs, conferences, panels, fairs and summits. Within the scope of the "Recognition, Appreciation and Rewarding System", projects realized by our employees with success are awarded each year.

In the Company's globalizing corporate culture, the development activities deemed necessary by human resources are undertaken according to our success-oriented performance culture and approach to constant development. In order for potential leaders and expert technical human resources to develop their international management competencies, domestic and overseas training and development programs are carried out.

INDUSTRIAL RELATIONS

The term of the Collective Bargaining Agreement for the period of 2012-2013 covering the Soda and Kromsan Factories with the Petrol-İş Union ended on 31.12.2013. Negotiations for the new period continue in 2014.

The term of the Collective Bargaining Agreement covering the year 2013 at our Şişecam Soda Lukavac Factory ended on 31.12.2013. Negotiations for the year 2014 started in December and the agreement for the year 2014 was concluded on 15.01.2014.

The Collective Bargaining Agreement signed for the period of 01.09.2012-31.08.2014 between Turkish Metal Workers Union and the MESS (Turkish Employers' Association of Metal Industries), of which our Company is a member, is still applicable.

In accordance with our corporate values, employees may not be discriminated against on the basis of race, religion, language or gender and diversity is respected. All work processes are sensitively monitored under the framework of the Şişecam Ethical Principles.

OCCUPATIONAL HEALTH AND SAFETY

In 2013 within the scope of Occupational Health and Safety, field observation activities have been realized at the facilities and factories of the Chemicals Group companies.

Studies are carried out and the necessary training delivered on subjects related to the legal obligations in accordance with the Law on Occupational Health and Safety, and events are organized with the aim of fostering a culture of workplace health and safety.

Managers and staff working at the Group's facilities were informed in writing and in the electronic medium about the new arrangements made in accordance with the new Occupational Health and Safety Law. In addition consultancy and support activities have been carried out in order to ensure the compliance of the facilities with the new arrangements.

RISK MANAGEMENT AND INTERNAL AUDIT

Corporate Structure

The Company's risk management and internal auditing activities are carried out under the authority of the "Early Risk Detection Committee" and "Auditing Committee" established under the Board of Directors. Committee meetings are held periodically, in line with the previously determined agenda, and all decisions taken or suggestions made at the meeting are reported back to the Board of Directors. By means of these committees, the Board of Directors is able to closely monitor risk management and internal auditing processes carried out throughout the Group and issue the necessary directives. The activities carried out under the management and administration of the Risk Management and Internal Auditing Directorates subordinate to the Türkiye Şişe ve Cam Fabrikaları A.Ş. Board of Directors, together with the assistance of the workforce, provide stakeholders with security against risk at the highest level and aim to assure the protection of the company's physical and moral assets, the minimalization of losses incurred through uncertainties, and obtaining the maximum benefit from potential opportunities arising. Throughout these activities, it is intended that the risk management and internal auditing functions maintain the highest levels of mutual communication, thus supporting the decision-making process, and that the efficiency of management be increased.

Risk Management

The risk management activities of our Group are carried out under a holistic, proactive approach based on the practices of corporate risk management. The risk catalogues prepared are periodically updated with the participation of the Group employees and the risks are ranked according to their order of importance. By taking the risk appetite of the Board of Directors into account, with regard to analyzed risks, the strategies to be implemented are established and the necessary measures taken. These projects are not limited to financial and strategic risks only, but also cover such operational risks as production, sales, occupational health and safety, emergency management and information technologies.

Internal Audit

The aim of our internal auditing activities, which have long taken place under the aegis of the Group's well-established and institutionalized corporate structure is; to support the healthy development of the Group companies, to assist in assuring that our practices are carried out in a spirit of unity and togetherness and to undertake effective, constructive supervision to ensure that our activities are carried out in conformity with regulations, and to make timely, precautionary interventions whenever necessary. Internal audit activities are carried out in accordance with the annual audit program approved by the Board of Directors of Türkiye Şişe ve Cam Fabrikaları A.Ş. In the establishment of the annual audit program, the results of the risk management studies are also used, meaning that "risk-focused auditing" practices are implemented.

INFORMATION ON THE COMPANIES INVOLVED IN CONSOLIDATION

Şişecam Soda Lukavac d.o.o

Established in 2006 in the Tuzla Canton of the Federation of Bosnia and Herzegovina, Şişecam Soda Lukavac d.o.o produces soda and derivatives, and exports majority of its products.

Our consequential share in the company is 89,30%, while the remaining shares are owned by a company affiliated to the Tuzla Canton Government.

Solvay Şişecam Holding A.G.

Headquartered in Vienna, Solvay Şişecam Holding A.G. is a stock company, established in 1997 as a subsidiary of Solvay Sodi AD based in Bulgaria.

Soda Sanayii owns 25% of the shares, while the Solvay Group owns the remaining 75%.

Şişecam Bulgaria Ltd.

With its headquarters based in Varna and wholly owned by Soda Sanayii, Şişecam Bulgaria Ltd merchandizes soda products.

Oxyvit Kimya Sanayii ve Ticaret A.Ş.

Established in 1996 in Tarsus Organized Industrial Zone, the Company operates in the field of the production and marketing of Vitamin K3, Sodium Metabisulphite and the derivatives. Vitamin K3 is a high added-value product used as an additive in animal feeds, especially poultry. Sodium Metabisulphite is used in the fields of textiles, construction chemicals, leather sector and various chemical industries. Being one of the few producers in the sector, Oxyvit has earned a significant place in the global production. The Company exports more than 90% of its products. The Italian-capitalized Cheminvest Türkiye Deri Kimyasalları San. ve Tic. A.Ş. based in Turkey, which operates in the field of chemical trade, is the other major partner of Oxyvit while Soda Sanayii A.Ş. owns 44% of the shares.

Cromital SpA

Cromital SpA was founded in 1992 in Bergamo, Italy. Soda Sanayii A.Ş. purchased 50% of the company in 2005, incorporating it as an affiliate. The remaining shares were purchased in 2011 from Cheminvest S.p.A., thus fully merging Cromital into Soda Sanayii. As of today, Soda owns 99,50% of the company, while the remaining 0,5% share is owned by Türkiye Şişe ve Cam Fabrikaları A.Ş.
Cromital produces Basic Chromium Sulfate, a fundamental chemical used in the leather industry, and markets its products mainly in Italy, world-renowned with its leather industry.

Asmaş Ağır Sanayi Makineleri A.Ş.

Established in İzmir in 1976, the Company is one of the leading manufacturers of heavy industrial machines thanks to its expert technical staff and certificates.

Asmaş offers quality services in a timely manner, which makes it a preferred company in building complete plants, developing projects and technologies and manufacturing machines and equipment which are widely used in the industry. Iron and steel, cement, energy and defense comprise the major industries Asmaş serves. Having added Asmaş to its affiliates in 2008, Soda Sanayii currently owns 84,98% share in the company.

Dost Gaz Depolama A.Ş.

Dost Gaz Depolama A.Ş. was established in 2010 in Istanbul. The Company operates in the field of storing and trading natural gas. 84,94% share of the company is owned by Soda Sanayii.

Şişecam Chem Investment BV

Şişecam Chem Investment BV was founded as a portfolio management company, providing consultancy and other services to the Şişecam Group companies. The Company, 99,46% of which is owned by Soda Sanayii, holds 99,50% of Cromital S.p.A, 100% of Şişecam Bulgaria Ltd., 89,30% of Soda Lukavac d.o.o and 25% of Solvay Şişecam Holding AG.

SODA SANAYİİ A.Ş. CONSOLIDATED FINANCIAL STATEMENTS COVERING THE PERIOD OF JANUARY 1 - DECEMBER 31, 2013 AND INDEPENDENT AUDITOR'S REPORT

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

INDEPENDENT AUDITOR'S REPORT

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

1. We have audited the accompanying consolidated statement of financial position of Soda Sanayii A.Ş. ("the Company") and its Subsidiaries (collectively referred to as the ''Group") as at 31 December 2013 and the related 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 year then ended and a summary of significant accounting policies and 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 the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

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. 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 audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error and/or fraud. In making those risk assessment; the Group's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design procedures that are appropriate for the circumstances in order to identify the relation between the consolidated financial statements prepared by the Group and its internal control system. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group management, as well as evaluating the overall presentation of the consolidated financial statements.

   We believe that the 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Soda Sanayii A.Ş.and its Subsidiaries as at 31 December 2013 and their consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

Reports on independent auditor's responsibilities arising from other regulatory requirements

5. In accordance with Article 402 of the Turkish Commercial Code ("TCC"); the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, 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 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

6. Pursuant to Article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by the management of the Company in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet, therefore no separate report has been drawn up relating to it. On the other hand, the Company formed the mentioned committee on 24 May 2012 and it is comprised of 3 members.

   The committee has met 6 times since its formation to the reporting date for the purposes of early identification of risks that jeopardize the existence of the company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has submitted the relevant reports to the Board of Directors.

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

Cihan Harman, SMMM
Partner

Istanbul, 6 March 2014

Consolidated Statement of Financial Position as of 31 December 2013

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

ASSETS	Note	31 December 2013	Restated (Note 2) 31 December 2012
Current Assets		**800.251.931**	**529.862.859**
Cash and cash equivalents	6	224.011.173	167.092.092
Financial investments	7	750.705	-
Trade receivables	10,37	251.537.927	189.319.594
-Due from related parties	*37*	*31.916.903*	*8.684.020*
-Other trade receivables	*10*	*219.621.024*	*180.635.574*
Other receivables	11,37	149.055.745	8.394.380
-Due from related parties	*37*	*143.802.469*	*6.161.461*
-Other receivables	*11*	*5.253.276*	*2.232.919*
Inventories	13	136.767.953	120.310.094
Prepaid expenses	14	5.152.550	2.887.147
Current income tax asset	35	93.418	14.250
Other current assets	26	32.882.460	41.845.302
Non-Current Assets		**980.215.045**	**879.073.053**
Financial investments	7	26.989.819	30.084.097
Other receivables	11	172.811	6.328.902
Investments accounted under equity method	16	197.200.326	148.114.155
Property, plant and equipment	18	733.801.473	664.381.645
Intangible assets	19,20	8.038.417	7.065.732
-Goodwill	20	*6.918.379*	*5.540.593*
-Other intangible assets	19	*1.120.038*	*1.525.139*
Prepaid expenses	14	1.912.718	8.183.554
Deferred tax assets	35	8.266.807	2.792.721
Other non-current assets	26	3.832.674	12.122.247
TOTAL ASSETS		**1.780.466.976**	**1.408.935.912**

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

Consolidated Statement of Financial Position as of 31 December 2013

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

LIABILITIES	Note	31 December 2013	Restated (Note 2) 31 December 2012
Current Liabilities		**287.945.348**	**303.555.236**
Short term borrowings	8	27.192.860	25.956.912
Short term portion of long term borrowings	8	58.038.374	62.354.881
Trade payables	10,37	146.863.428	149.897.119
-Due to related parties	*37*	*24.879.749*	*22.557.795*
-Other trade payables	*10*	*121.983.679*	*127.339.324*
Employee benefit obligations	24	2.204.834	1.911.756
Other payables	11,37	20.114.248	45.533.717
-Due to related parties	*37*	*16.531.472*	*42.462.769*
-Due to non-related parties	*11*	*3.582.776*	*3.070.948*
Deferred income	14	8.790.976	4.418.925
Current income tax liabilities	35	10.151.075	2.848.374
Short term provisions	22,24	6.513.102	4.605.928
-Provisions for employee benefits	24	*473.571*	*640.793*
-Other short term provisions	22	*6.039.531*	*3.965.135*
Other current liabilities	26	8.076.451	6.027.624
Non-Current Liabilities		**256.132.676**	**107.538.404**
Long term borrowings	8	231.904.806	86.700.289
Other payables	11	173.762	150.231
Provisions for employee benefits	24	24.054.108	20.687.884
EQUITY		**1.236.388.952**	**997.842.272**
Total Equity Attributable to Equity Holders of the Parent	27	**1.221.012.774**	**989.052.617**
Capital		457.000.000	425.000.000
Other comprehensive income/expenses not to be reclassified to profit or loss		(1.972.127)	(1.972.127)
- Actuarial gain/(loss) fund for employee termination provision		*(1.972.127)*	*(1.972.127)*
Other comprehensive income/expenses to be reclassified to profit or loss		106.426.238	49.454.377
- Foreign currency translation reserve		*106.854.820*	*47.023.755*
- Financial asset revaluation reserve		*(428.582)*	*2.430.622*
Restricted reserves		40.002.592	34.372.614
Retained earnings		413.736.413	350.094.497
Net profit for the period		205.819.658	132.103.256
Non-controlling interest	27	**15.376.178**	**8.789.655**
TOTAL LIABILITIES AND EQUITY		**1.780.466.976**	**1.408.935.912**

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

Consolidated Statement of Income for the Year Ended 31 December 2013

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

	Note	1 January-31 December 2013	Restated (Note 2) 1 January-31 December 2012
Sales	28	1.403.898.784	1.182.484.827
Cost of sales (-)	28	(1.115.463.860)	(939.579.547)
Gross Profit		**288.434.924**	**242.905.280**
General administrative expenses (-)	29,30	(55.181.071)	(51.725.111)
Marketing expenses (-)	29,30	(61.777.432)	(50.861.138)
Research and development expenses (-)	29,30	(2.372.665)	(2.121.240)
Other operating income	31	51.077.671	23.484.092
Other operating expenses (-)	31	(20.610.163)	(23.496.950)
Income from associates	16	36.551.360	15.605.454
OPERATING PROFIT		**236.122.624**	**153.790.387**
Income from investing activities	32	1.388.206	1.538.849
Expense from investing activities (-)	32	-	(635.798)
OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE		**237.510.830**	**154.693.438**
Financial income	33	56.432.941	25.245.587
Financial expense (-)	33	(52.627.714)	(37.339.336)
PROFIT/LOSS BEFORE TAX FROM CONTINING OPERATIONS		**241.316.057**	**142.599.689**
Tax income/expense from continuing operations	35	**(33.269.590)**	**(9.599.570)**
Tax charge for the period	35	(38.493.623)	(21.259.125)
Deferred tax expense	35	5.224.033	11.659.555
Profit for the period		**208.046.467**	**133.000.119**
Attributable to:			
Non-controlling interest		2.226.809	896.863
Equity holders of the parent		**205.819.658**	**132.103.256**
Earnings Per Share	36	**0,450**	**0,329**

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

Consolidated Statements of Comprehensive Income for the Year Ended 31 December 2013

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

	Note	1 January- 31 December 2013	Restated (Note 2) 1 January- 31 December 2012
Profit for the period		**208.046.467**	**133.000.119**
Other Comprehensive Income			
Items not to be reclassified to profit or loss	27	**-**	**(1.092.459)**
- Actuarial gain/(loss) on post employment termination benefit obligation		-	(1.338.262)
- Deferred tax gain/(loss)		-	245.803
Items to be reclassified to profit or loss	27	**59.727.837**	**(6.441.899)**
- Currency translation diferences		62.587.041	(7.347.797)
- Fair value gain/(loss) on financial assets		(3.094.278)	953.578
- Deferred tax gain/(loss)		235.074	(47.680)
Other Comprehensive Income/(Loss)		**59.727.837**	**(7.534.358)**
Total Comprehensive Income		**267.774.304**	**125.465.761**
Attributable to:			
Non-controlling interest		4.982.785	642.914
Equity holders of the parent		**262.791.519**	**124.822.847**
Earnings Per Share	36	**0,575**	**0,311**

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

Consolidated Statements of Changes in Equity for the Year Ended 31 December 2013

(Amounts are expressed in Turkish Lira ("TL") 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 2012	**254.100.000**	**-**	**54.129.004**	**1.524.724**	**24.818.317**	**271.250.516**	**184.551.444**	**790.374.005**	**7.600.822**	**797.974.827**
Impact of amendment in IAS 19 "Employee Benefits" (Note 2)	-	(891.069)	-	-	-	672.945	218.124	-	-	-
Restated at 1 January 2012	**254.100.000**	**(891.069)**	**54.129.004**	**1.524.724**	**24.818.317**	**271.923.461**	**184.769.568**	**790.374.005**	**7.600.822**	**797.974.827**
Transfers	-	-	-	-	9.554.297	175.215.271	(184.769.568)	-	-	-
Total comprehensive income	-	(1.081.058)	(7.105.249)	905.898	-	-	132.103.256	124.822.847	642.914	125.465.761
Share capital increase	56.203.978	-	-	-	-	(56.203.978)	-	-	-	-
Merger by partial disposal	114.696.022	-	-	-	-	(40.294.338)	-	74.401.684	-	74.401.684
Impact of acquisition of non-controlling interest	-	-	-	-	-	(545.919)	-	(545.919)	545.919	-
Balance at 31 December 2012	**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**

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

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

Consolidated Statements of Changes in Equity for the Year Ended 31 December 2013

(Amounts are expressed in Turkish Lira ("TL") 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**
Transfers	-	-	-	-	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 increase	32.000.000	-	-	-	-	(32.000.000)	-	-	2.715.300	2.715.300
Dividend distributed	-	-	-	-	-	(32.000.000)	-	(32.000.000)	-	(32.000.000)
Transactions with non controlling interest	-	-	-	-	-	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**

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

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

Consolidated Statement of Cash Flows for the Year Ended 31 December 2013

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

	Note	1 January- 31 December 2013	1 January- 31 December 2012
A.CASH FLOWS FROM OPERATING ACTIVITIES		**18.562.273**	**103.807.823**
Net profit for the period		**208.046.467**	**133.000.119**
Adjustments to reconcile net profit/(loss)to net cash provided by operating activities		**58.443.972**	**82.686.477**
-Depreciation and amortization	18,19	88.093.385	69.131.663
-Adjustments for impairments/reversals	10,11,13	534.473	49.589
-Changes in provisions	22,24	6.713.354	4.338.225
-Interest income and expenses	31,33	1.676.847	6.178.805
-Unrealized exchange loss/ (gain) on cash and cash equivalents	31,33	(33.905.290)	9.894.864
-Loss from investments accounted for under equity method	16	(36.551.360)	(15.605.454)
-Adjustments for tax income/losses	35	33.269.590	9.599.570
-Gain/ losses from sales of tangible assets	32	(456.047)	635.798
-Dividend income	32	(930.980)	(1.536.583)
Changes in net working capital		**(207.247.857)**	**(68.782.851)**
-Increases/decreases in inventories	13	(16.476.420)	(25.202.456)
-Increases/decreases in trade receivables	10,37	(37.598.763)	(44.960.759)
-Increases/decreases in other receivables	11,37	(140.716.450)	16.643.245
-Increases/decreases in trade payables	10,37	(3.025.910)	18.771.910
-Increases/decreases in other payables	11,14,24,37	(20.754.340)	(31.270.109)
-Increases/decreases in net working capital	7,14,15,26,35	11.324.026	(2.764.682)
Cash flows from operating activities		**59.242.582**	**146.903.745**
-Interest paid	8,31,33,37	(11.878.136)	(12.936.171)
-Interest received	33,37	4.513.391	1.097.137
-Taxes paid	35	(31.551.446)	(26.726.881)
-Employment termination benefits paid	24	(1.764.118)	(4.530.008)
B.CASH FLOWS FROM INVESTING ACTIVITIES		**(56.125.454)**	**(75.964.845)**
-Acquisition of associates	3	-	(795.808)
-Proceeds from disposals of associates	7,16,32	-	3.826.926
-Proceeds from sale of tangible and intangible assets	18,19,32	496.020	550.000
-Purchases of tangible and intangibe assets	8,18,19	(109.211.169)	(90.656.687)
-Advances given and change in liabilities	14	6.270.836	2.776.533
-Dividends received	16,32	25.583.118	5.097.056
-Interest received	6,33	6.266.546	5.537.198
-Other cash inflow	10,11,26	14.469.195	(2.300.063)

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

Consolidated Statement of Cash Flows for the Year Ended 31 December 2013

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

	Note	1 January-31 December 2013	1 January-31 December 2012
C.CASH FLOW FROM FINANCING ACTIVITIES		**52.798.969**	**(45.841.286)**
-Proceeds from borrowings	8	335.420.278	59.788.689
-Repayment of borrowings	8	(253.393.685)	(105.629.975)
-Dividends paid	27	(32.000.000)	-
-Capital contribution of non-controlling interests	27	2.715.300	-
-Proceeds from the sale of shares of subsidiary	27	57.076	-
Net increase/(decrease) in cash and cash equivalents before currency translation differences (A+B+C)		**15.235.788**	**(17.998.308)**
D. EFFECTS OF UNREALIZED EXCHANGE LOSS/ (GAIN) ON CASH AND CASH EQUIVALENTS		**41.603.219**	**(11.780.400)**
Effect of foreign currency translation differences on cash and cash equivalents	33	32.608.014	(9.858.897)
Foreign currency translation differences	27	8.995.205	(1.921.503)
Net increase/ (decrease) in cash and cash equivalents (A+B+C+D)		**56.839.007**	**(29.778.708)**
E.CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD	6	**166.895.914**	**196.674.622**
Cash and cash equivalents at the end of the period (A+B+C+D+E)	6	**223.734.921**	**166.895.914**

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

(Amounts are expressed in Turkish Lira ("TL") 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 (6 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 and construction of industrial machinery, generating electricity, and selling the generated electricity.

The Company was founded on 19 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.

İş Kuleleri Kule 3, 4. Levent 34330, Beşiktaş / İstanbul / Türkiye

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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 2013	31 December 2012
White Collar	697	700
Blue Collar	983	1.006
Total	**1.680**	**1.706**

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

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
Asmaş Ağır San. Mak. A.Ş.	Construction of heavy machinery	Turkey
Şişecam Bulgaria Ltd	Trading of soda products	Bulgaria
Dost Gaz Depolama A.Ş.	Natural gas storage	Turkey
Cromital S.p.A.	Chrome derivates	Italy
Şişecam Chem Investment BV	Investing	Holland
Joint Ventures	**Nature of Business**	**Registered CounTRY**
Oxyvit Kimya San. ve Tic. A.Ş.	Vitamin-K üreticisi ve satışı	Turkey
Associates	**Nature of Business**	**Registered CounTRY**
Solvay Şişecam Holding AG	Finansman ve yatırım şirketi	Austria

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

	31 December 2013		31 December 2012	
Company Name	Direct and indirect ownership (%)	Proportion of Ownership (%)	Direct and indirect ownership (%)	Proportion of Ownership (%)
<u>Subsidiaries</u>				
Şişecam Soda Lukavac d.o.o.	89,30	88,82	89,30	89,30
Asmaş Ağır San. Mak. A.Ş.	84,98	84,98	84,98	84,98
Şişecam Bulgaria Ltd	100,00	99,46	100,00	100,00
Dost Gaz Depolama A.Ş.	84,94	84,94	84,94	84,94
Cromital S.p.A.	99,50	98,96	100,00	100,00
Şişecam Chem İnvestment BV	99,46	99,46	-	-
<u>Joint Ventures</u>				
Oxyvit Kimya San. ve Tic. A.Ş.	44,00	44,00	44,00	44,00
<u>Associates</u>				
Solvay Şişecam Holding AG	25,00	24,86	25,00	25,00

2. Basis of Presentation of Consolidated Financial Statements

2.1 Basis of Presentation

<u>Applied Financial Reporting Standards</u>

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" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, 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.

The financial statements of the consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's consolidated financial statements.

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 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.

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.

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.

In accordance with the decison taken in the CMB meeting numbered 20/670 held on 7 June 2013, and in compliant with the announcement related to the format of financial statements and its accompanying notes, comparative figures have been reclassified to conform to the changes in presentation in the current peroid.

The Group restated its previously published consolidated financial statements in accordance with the change in IAS 19 - " Employee Benefits".

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

The Impact of Amendment in IAS 19 "Employee Benefits"

In accordance with the amendment in the standard, which is effective from 1 January 2013, the actuarial gains/(losses) related to employee benefits are required to be accounted for under other comprehensive income. The group accounted the actuarial gains/(losses) related to employee benefits for under the consolidated income statement until 31 December 2012. The Group applied the amendment in the standard retrospectively in accordance with the related changes in the accounting policies and the actuarial gains/(losses) disclosed in the related disclosures have been reversed from the consolidated income statement and accounted for under other comprehensive income.

As of 31 December 2012, some reclassifications in the statement of cash flows were made with the purpose of compliance with the IAS 1 "Presentation of Financial Statements" and IAS 7 "Statements of Cash Flows".

The reconciliations of the consolidated statement of financial position as of 31 December 2012 and consolidated statement of income for the period ended 31 December 2012, which were restated as of 31 December 2013, are as follows:

Statement of Financial Position

ASSETS	Previously reported 31 December 2012	Impact of Change in the CMB financial statements	IAS-19 The impact of amendment format in IAS 19	Restated 31 December 2012
Current Assets	**548.493.598**	**(18.630.739)**	**-**	**529.862.859**
Cash and cash equivalents	167.092.092	-	-	167.092.092
Trade Receivables	207.950.333	(18.630.739)	-	189.319.594
-Due from related parties	*125.121.022*	*(116.437.002)*	-	*8.684.020*
-Other trade receivables	*82.829.311*	*97.806.263*	-	*180.635.574*
Other receivables	8.394.380	-	-	8.394.380
-Due from related parties	*6.161.461*	-	-	*6.161.461*
-Other receivables	*2.232.919*	-	-	*2.232.919*
Inventories	120.310.094	-	-	120.310.094
Prepaid expenses	-	2.887.147	-	2.887.147
Current income tax assets	-	14.250	-	14.250
Other current assets	44.746.699	(2.901.397)	-	41.845.302
Non-Current Assets	**879.073.053**	**-**	**-**	**879.073.053**
Financial investments	30.084.097	-	-	30.084.097
Other receivables	6.328.902	-	-	6.328.902
Investments accounted under equity method	148.114.155	-	-	148.114.155
Property, plant and equipment	664.381.645	-	-	664.381.645
Intangible assets	7.065.732	-	-	7.065.732
-Goodwill	*5.540.593*	-	-	*5.540.593*
-Other intangible assets	*1.525.139*	-	-	*1.525.139*
Prepaid expenses	-	8.183.554	-	8.183.554
Deferred tax assets	2.792.721	-	-	2.792.721
Other non-current assets	20.305.801	(8.183.554)	-	12.122.247
TOTAL ASSETS	**1.427.566.651**	**(18.630.739)**	**-**	**1.408.935.912**

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

LIABILITIES	Previously reported 31 December 2012	Impact of Change in the CMB financial statements	IAS-19 The impact of amendment format in IAS 19	Restated 31 December 2012
Current Liabilities	**322.185.975**	**(18.630.739)**	**-**	**303.555.236**
Short term borrowings	25.956.912	-	-	25.956.912
Short term portion of long term borrowings	62.354.881	-	-	62.354.881
Trade payables	149.897.119	-	-	149.897.119
-Due to related parties	*34.879.855*	*(12.322.060)*	-	*22.557.795*
-Other trade payables	*115.017.264*	*12.322.060*	-	*127.339.324*
Employee benefits obligations	-	1.911.756	-	1.911.756
Other payables	51.864.398	(6.330.681)	-	45.533.717
-Due to related parties	*42.462.769*	-	-	*42.462.769*
-Other trade payables	*9.401.629*	*(6.330.681)*	-	*3.070.948*
Deferred revenue	-	4.418.925	-	4.418.925
Corporate income tax liabilities	2.848.374	-	-	2.848.374
Short term provisions	4.605.928	-	-	4.605.928
-Current provisions for employee benefits	*640.793*	-	-	*640.793*
-Other current provisions	*3.965.135*	-	-	*3.965.135*
Other current liabilities	24.658.363	(18.630.739)	-	6.027.624
Non-Current Liabilities	**107.538.404**	**-**	**-**	**107.538.404**
Long-term borrowings	86.700.289	-	-	86.700.289
Other payables	150.231	-	-	150.231
Provisions for employee benefits	20.687.884	-	-	20.687.884
EQUITY	**997.842.272**	**-**	**-**	**997.842.272**
Total Equity Attributable to Equity Holders of the Parent	**989.052.617**			**989.052.617**
Share capital	425.000.000	-	-	425.000.000
Other comprehensive income/expenses not to be reclassified to profit or loss	-	-	(1.972.127)	(1.972.127)
-Funds for actuarial gain/(loss) on employment termination benefits	-	-	*(1.972.127)*	*(1.972.127)*
Other comprehensive income/expenses to be reclassified to profit or loss	49.454.377	-	-	49.454.377
-Currency translation differences	*47.023.755*	-	-	*47.023.755*
-Financial asset revaluation fund	*2.430.622*	-	-	*2.430.622*
Restricted reserves	34.372.614	-	-	34.372.614
Retained earnings	349.203.428	-	891.069	350.094.497
Net profit for the period	131.022.198	-	1.081.058	132.103.256
Non-controlling interest	**8.789.655**	**-**	**-**	**8.789.655**
TOTAL LIABILITIES AND EQUITY	**1.427.566.651**	**(18.630.739)**	**-**	**1.408.935.912**

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

Consolidated Statements of Income

	Previously reported 1 January-31 December 2012	Impact of Change in the CMB financial statements	The impact of amendment format in IAS 19	Restated 1 January-31 December 2012
Sales	1.182.484.827	-	-	1.182.484.827
Cost of sales (-)	(939.579.547)	-	-	(939.579.547)
Gross Profit for Operating Activities	**242.905.280**	**-**	**-**	**242.905.280**
General administrative expenses (-)	(53.063.373)	-	1.338.262	(51.725.111)
Marketing expenses (-)	(50.861.138)	-	-	(50.861.138)
Research and development expenses (-)	(2.121.240)	-	-	(2.121.240)
Other operating income	10.815.172	12.668.920	-	23.484.092
Other operating expenses (-)	(7.639.713)	(15.857.237)	-	(23.496.950)
Income from associates	-	15.605.454	-	15.605.454
Operating Profit	**140.034.988**	**12.417.137**	**1.338.262**	**153.790.387**
Income from investing activities	-	1.538.849	-	1.538.849
Expenses from investing activities (-)	-	(635.798)	-	(635.798)
Operating profit before financial income and expenses	**140.034.988**	**13.320.188**	**1.338.262**	**154.693.438**
Income from associates	15.605.454	(15.605.454)	-	-
Financial income	39.453.356	(14.207.769)	-	25.245.587
Financial expenses (-)	(53.832.371)	16.493.035	-	(37.339.336)
Profit /loss before tax from continued operations	**141.261.427**	**-**	**1.338.262**	**142.599.689**
Profit/loss before financial income and expenses	**(9.353.767)**	-	(245.803)	**(9.599.570)**
Current tax charge	(21.259.125)	-	-	(21.259.125)
Deferred tax charge	11.905.358	-	(245.803)	11.659.555
Net profit for the Period	**131.907.660**	**-**	**1.092.459**	**133.000.119**
Attributable to:				
Non-controlling interest	885.462	-	11.401	896.863
Equity holders of the parent	**131.022.198**	**-**	**1.081.058**	**132.103.256**

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

Consolidated Comprehensive Income Statement

	Previously reported 1 January-31 December 2012	Impact of Change in the CMB financial statements	The impact of amendment format in IAS 19	Restated 1 January-31 December 2012
Net profit for the Period	**131.907.660**	**-**	**1.092.459**	**133.000.119**
Other Comprehensive Income				
Items not to be reclassified to profit or loss	**-**	**-**	**(1.092.459)**	**(1.092.459)**
- Acturial gain/(loss) on post employment termination benefit obligation	-	-	(1.338.262)	(1.338.262)
- Deferred tax gain/(loss)	-	-	245.803	245.803
Items to be reclassified to profit or loss	**(6.441.899)**	**-**	**-**	**(6.441.899)**
- Currency translation differences	(7.347.797)	-	-	(7.347.797)
- Fair value gain/(loss) on financial assets	953.578	-	-	953.578
- Deferred tax gain/(loss)	(47.680)	-	-	(47.680)
Other Comprehensive Income/(Loss)	**(6.441.899)**	**-**	**(1.092.459)**	**(7.534.358)**
Total Comprehensive Income	**125.465.761**	**-**	**-**	**125.465.761**
Attributable to :				
Non-controlling interest	642.914	-	-	642.914
Equity holders of the parent	**124.822.847**	**-**	**-**	**124.822.847**

Consolidated Cash Flow Statements

	Previously reported 1 January-31 December 2012	Impact of Change in the CMB financial statements	The impact of amendment format in IAS 19	Restated 1 January-31 December 2012
Cash flow from operating activities	107.620.218	(3.812.396)	-	103.807,822
Cash flow from investing activities	(75.847.179)	(117.666)	-	(75.964.845)
Cash flow from financing activities	(51.692.851)	5.851.565	-	(45.841.286)
Effects of unrealized exchange loss/(gain) on cash and cash equivalents	(9.858.896)	(1.921.503)	-	(11.780.399)
	(29.778.708)	-	-	(29.778.708)

In accordance with POAASA decision number 2013-2 companies are required to business combination transaction involving entities under common control, start consolidation for subsidiaries acquired as part of from the opening date of the fiscal year that the combination takes place. The Group has not restated previously issued its consolidated financial statements to accept this change fort he take over of Cogeneration Power Plant from Camiş Elektrik Üretim A.Ş., based on immateriality (Note 27).

Total Comprehensive Income Distribution	**1 January-31 March 2012**
Non-controlling interest	74.237.560
Equity holders of the parent	1.603.740

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

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 included 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 are performed are summarized below:

	31 December 2013		31 December 2012	
Currency	Period End	Period Average	Period End	Period Average
USD	2,13430	1,90334	1,78260	1,79219
EUR	2,93650	2,52904	2,35170	2,30433
Bulgarian Leva	1,50141	1,29308	1,20241	1,17819
Bosnian Mark	1,50141	1,29308	1,20241	1,17819

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, otherwise having the power to exercise 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 2013 and 31 December 2012.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated 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 sale 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 2013, 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 an done more other parties. The company exercieses 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 2013 and 31 December 2012.

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 associates.

Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. 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.

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 2013 in accordance with the TAS 34 "Year-End financial reporting" 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 2013 are consistent with those used in the preparation of financial statements for the years ended 31 December 2012.

The Group restated its prior periods' consolidated financial statements in accordance with the amendments in IAS/TAS 19 "Employee Benefits" in accordance with IAS/TAS 8 "Accounting policies, changes in accounting estimates and errors". The impact of the restatements are explained in Note 2.1.

2.4 Restatement and Errors in the Accounting Policies and Estimates

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 year ended 31 December 2013 are consistent with those used in the preparation of financial statements for the year ended 31 December 2012.

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements.

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

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 year ended 31 December 2013 are consistent with those used in the preparation of financial statements for the year ended 31 December 2012.

New standards, amendments and interpretations effective from 31 December 2013

- IAS 1/TAS 1 (amendment), "Presentation of financial statements", regarding other comprehensive income is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in other comprehensive income. Early adoption is permitted.

- IAS 19/TAS 19 (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.

- Amendment to TFRS/IFRS 1, 'First time adoption', on government loans; is effective for annual periods beginning on or after 1 January 2013. This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to TFRS/IFRS. It also adds an exception to the retrospective application of TFRS/IFRS, which provides the same relief to first-time adopters granted to existing preparers of TFRS/IFRS financial statements when the requirement was incorporated into TAS 20 in 2008.

- Amendment to TFRS/IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting¸; is effective for annual periods beginning on or after 1 January 2013. This amendment includes new disclosures to facilitate comparison between those entities that prepare TFRS/IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

- IFRS /TFRS10, 11 and 12 on transition guidance (amendment), is effective for annual periods beginning on or after 1 January 2013. The amendment also provides additional transition relief in IFRS/TFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosure related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for the periods before IFRS/TFRS 12 is applied.

- Annual improvements 2011; is effective for annual periods beginning on or after 1 January 2013.These annual improvements, address six issues in the 2009-2011 reporting cycle.

• TFRS/IFRS 1, 'First time adoption',
• TAS/IAS 1, 'Financial statement presentation',
• TAS/IAS 16, 'Property plant and equipment',
• TAS/IAS 32, 'Financial instruments; Presentation'
• TAS/IAS 34, 'Interim financial reporting'.

- TFRS/IFRS 10, 'Consolidated financial statements'; is effective for annual periods beginning on or after 1 January 2013. The objective of TFRS/IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.
- TFRS/IFRS 11, 'Joint arrangements'; is effective for annual periods beginning on or after 1 January 2013. TFRS/IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.
- TFRS/IFRS 12, 'Disclosures of interests in other entities'; is effective for annual periods beginning on or after 1 January 2013. TFRS/IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- TFRS/IFRS 13, 'Fair value measurement'; is effective for annual periods beginning on or after 1 January 2013. TFRS/IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRS/IFRSs. The requirements, which are largely aligned between TFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within TFRS/IFRSs or US GAAP.
- TAS/IAS 27 (revised 2011), 'Separate financial statements'; is effective for annual periods beginning on or after 1 January 2013. TAS/IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of TAS/IAS 27 have been included in the new TFRS/IFRS 10.
- TAS/IAS 28 (revised 2011), 'Associates and joint ventures'; is effective for annual periods beginning on or after 1 January 2013. TAS/IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of TFRS/IFRS 11.
- IFRIC/TFRIC 20, 'Stripping costs in the production phase of a surface mine' is effective for annual periods beginning on or after 1 January 2013. This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under TFRS/UFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.

b. New TFRS standards, amendments and IFRICs effective after 1 January 2014

- Amendment to TAS/IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting is effective for annual periods beginning on or after 1 January 2014.These amendments are to the application guidance in TAS/IAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- Amendments to TFRS/IFRS 10, 12 and TAS/IAS 27 on consolidation for investment entities is effective for 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/IFRS 12 to introduce disclosures that an investment entity needs to make.
- Amendment to TAS/IAS 36, 'Impairment of assets' on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses 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/IAS 39 'Financial Instruments: Recognition and Measurement' - 'Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.
- IFRIC/TFRIC 21 "Levies", After IAS/TAS 37, "Provisions, contingent liabilities and contingent assets" this interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs.The interpretation is effective for annual periods beginning on or after 1 January 2014, with early application permitted. Retrospective application of this interpretation is required.
- TFRS/IFRS 9 'Financial instruments' - classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace TAS/IAS 39, 'Financial instruments: Recognition and measurement'. TFRS/IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the TAS/IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch. This change will mainly affect financial institutions.
- Amendments to TFRS/IFRS 9,'Financial instruments', regarding general hedge. These amendments to TFRS/IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.
- Amendment to TAS/IAS 19 regarding defined benefit plans; is effective for 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 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-2012 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'
- TAS/IAS 16, 'Property, plant and equipment' and TAS 38,'Intangible assets'
- Consequential amendments to TFRS/IFRS 9, 'Financial instruments', TAS/IAS 37, 'Provisions, contingent liabilities and contingent assets'
- TAS/IAS 39, Financial instruments - Recognition and measurement'.

Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from the 2011-2012-2013 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/IFRS 40, 'Investment property'.

The Group will evaluate the effect of the aforementioned changes within its operations and apply changes starting from effective date. It is expected that the application of the standards and the interpretations except for the ones the impacts of which were disclosed above will not have a significant effect on the consolidated financial statements of the Group.

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 constitues 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, labor 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, commercial goods and other stocks (Note 13).

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).

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

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	4-40 years
Vehicles	4-15 years
Furniture and fixtures	3-20 years
Leasehold improvements	3-15 years

Property, plant and equipment are reviewed for 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 recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

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

<u>Intangible assets acquired</u>

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).

<u>Computer software</u>

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 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).

<u>Intangible assets acquired in a business combination</u>

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 in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognised immediately in 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 capitalised. 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, in each case together with the companies controlled by/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 recognised 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 are not reversed through the statement of income.

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).

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.

<u>Other financial liabilities</u>

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 IFRS 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 acquiree and the fair value of the non-controlling interest in the acquiree.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 recognised 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 recognised 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 recognised 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 realised 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 utilised.

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

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 Labour 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 Labour 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 recognised 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 of 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 recognised as expenses in the period in which they are incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised 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 recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised 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 recognise 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 recognised profits (less recognised 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 recognised profits (less recognised 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, a deferred income tax asset amounting to TRY 5.677.708 (31 December 2012: TRY 6.592.104) results from temporary differences as of 31 December 2013 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 2013, the Company has recognized deferred tax assets amounting to TRY 26.428.749 (31 December 2012: TRY 22.280.292), based on the assumption that sufficient future taxable profits will be generated in the future to utilize these tax incentives (Note 35).

Paşabahçe Cam Sanayi A.Ş., ("Paşabahçe") is one of the Group's unquoted available for sale financial assets of which the Group owns 4.41%. Since the fair value of Paşabahçe varies significantly and can not be determined reliably, it is carried at cost less impairment, if any. The carrying value of Paşabahçe is assessed for impairment by the Group management based on analysis with comparative multipliers and benchmark studies. Comparative multipliers based on EBITDA and other measures are used. As a result of this analysis, no impairment is identified in the investment in Paşabahçe.

3. Business Combinations

None.

Business combinations achieved in stages at 2012

The Group bought 50% shares of it's joint venture, Cromital SpA, for 2.442.800 Euro on 20 December 2011 and for an additional 351.288 Euro on 21 June 2012 total amounting to 2.774.088 Euro. As of December 2011, Cromital SpA is included in the consolidation as a subsidiary. As a result of this transaction, the fair values of acquired identifiable assets, liabilities and purhase prices are determined temporarily during the preparation of the consolidated balance sheet as of 31 December 2011. The Group identified the conclusive fair values of identifiable assets and liabilities according to IFRS 3 "Business Combinations" for the 12 month period following the date of 31 December 2011. The fair values are as follows:

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

ASSETS	Fair Value
Current Assets	**26.899.078**
Cash and cash equivalents	6.890.282
Trade receivables	15.590.704
Other receivables	38.455
Inventories	3.525.927
Other current assets	853.710
Non-Current Assets	**5.622.334**
Other receivables	5.141
Property, plant and equipment	4.913.457
Intangible assets	195.862
Deferred tax assets	409.946
Other non-current assets	97.928
TOTAL ASSETS	**32.521.412**

LIABILITIES	
Current Liabilities	**24.265.789**
Financial liabilities	11.352.187
Short term portion of long term debt	1.629.233
Trade payables	2.531.787
Other payables	263.429
Payables due to related parties	7.704.477
Liability provisions	35.132
Other current liabilities	749.544
Non-Current Liabilities	**2.702.878**
Long term financial liabilities	2.029.964
Other liabilities	64.992
Provisions for employee benefits	607.922
TOTAL LIABILITIES	**26.968.667**
Net assets acquired	**5.552.745**
Cash paid in the previous period	**5.931.499**
Additional cash paid in the current period	**795.808**
Cost of acquisition prior to consolidation	3.039.460
Fair value adjustment arising from acquisition prior to merger	1.489.710
Total consideration	**11.256.477**
Goodwill	5.703.732
Foreign currency differences	(163.139)
Goodwill as 31 December 2012 (Note 20)	**5.540.593**

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 ("TL") unless otherwise indicated.)

5. Segment Reporting

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

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 amortization	(16.329.832)	(74.360.255)	(90.690.087)	2.596.702	(88.093.385)

1 January-31 December 2012	Chrome Derivatives	Soda Derivatives, Energy and Other	Total	Consolidation eliminations	Consolidated
Revenue	347.534.883	842.994.024	1.190.528.907	(8.044.080)	1.182.484.827
Cost of sales (-)	(216.577.885)	(732.101.924)	(948.679.809)	9.100.262	(939.579.547)
Gross profit	130.956.998	110.892.100	241.849.098	1.056.182	242.905.280
Purchases of property, plant and equipment and intangibles	30.720.693	61.796.783	92.517.476	(1.860.789)	90.656.687
Depreciation and amortization	(12.975.051)	(58.480.220)	(71.455.271)	2.323.608	(69.131.663)

Assets are not reported by operating segments.

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

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)	**1.216.413.084**	**581.521.415**	**1.797.934.499**	**(17.467.523)**	**1.780.466.976**

1 January-31 December 2012	Turkey	Europe	Total	Consolidation eliminations	Consolidated
Revenue (*)	972.451.200	218.077.707	1.190.528.907	(8.044.080)	1.182.484.827
Purchases of property, plant and equipment and intangibles	61.201.418	31.316.058	92.517.476	(1.860.789)	90.656.687
Depreciation and amortisation	(52.874.909)	(18.580.362)	(71.455.271)	2.323.608	(69.131.663)
Total Assets (31 December 2012)	**1.156.728.435**	**268.571.312**	**1.425.299.747**	**(16.363.835)**	**1.408.935.912**

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

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

6. Cash and Cash Equivalents

	31 December 2013	31 December 2012
Cash on hand	25.178	15.940
Cash in banks	223.971.255	167.070.305
- Demand deposits	11.879.934	5.906.066
- Time deposits (with maturities of three months or less)	212.091.321	161.164.239
Investment funds	14.740	5.847
	224.011.173	**167.092.092**

Time deposits

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

Currency	Interest rate (%)	Maturity	31 December 2012
EUR	0,50-3,25	January-February 2013	8.307.325
USD	0,50-3,50	January 2013	152.856.914
			161.164.239

Cash and cash equivalents in the consolidated cash flows as of 31 December 2013 and 31 December 2012 are as follows;

	31 December 2013	31 December 2012
Cash and cash equivalents	224.011.173	167.092.092
Less: Interest accruals	(276.252)	(196.178)
	223.734.921	**166.895.914**

7. Financial Investments

a. Current Financial Investments

Bank deposits with maturities more than 3 months	Currency	Interest Rate (%)	Maturity	31 December 2013	31 December 2012
Time deposits	BAM	2,60	September 2014	750.705	-

b. Non-current financial investments

	31 December 2013	31 December 2012
Available for sale financial assets	26.989.819	30.084.097
	26.989.819	**30.084.097**

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

Available for sale financial assets	Share %	31 December 2013	Share %	31 December 2012
Listed financial investments:				
Denizli Cam San. Tic. A.Ş. (*)	16,22	5.799.339	16,22	8.893.617
		5.799.339		8.893.617
Other financial investments:				
Paşabahçe Cam San. ve Tic. A.Ş.(**)	4,41	20.948.535	4,74	20.948.535
Şişecam Shangai Trade Co. Ltd.	100,00	655.448	100,00	655.448
Camiş Elektrik Üretim A.Ş.	0,08	42.914	0,08	42.914
Nemtaş Nemrut Liman İşletmeleri A.Ş.	0,02	188.233	0,02	188.233
Other	-	10.798	-	10.798
Provision for impairment(-)		(655.448)		(655.448)
		21.190.480		21.190.480
		26.989.819		**30.084.097**

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

	2013	2012
Opening balance, 1 January	30.084.097	29.130.519
Change in fair value	(3.094.278)	953.578
Closing balance, 31 December	**26.989.819**	**30.084.097**

(*) Shares of this company are listed on the Borsa İstanbul A.Ş. ("BİAŞ") and the Group has valued such equity shares under the securities available for sale investments with market prices of the BİAŞ. As a result of this valuation, the Group has accounted TRY 3.094.278 of valuation decrease by offsetting against TRY 235.074 of deferred tax due to this valuation decrease in "Financial asset revaluation reserve" under equity (31 December 2012: TRY 953.578 valuation increase and TRY 47.680 deferred tax).

(**) Paşabahçe Cam Sanayii and Tic. A.Ş. Paşabahçe Eskişehir Cam Sanayii ve Tic. A.Ş., subsidiaries of the Group, were merged on 31 January 2013.

8. Borrowings

Current financial liabilities	31 December 2013	31 December 2012
Short-term bank borrowings	27.192.860	25.956.912
- Due to related parties	*24.239.067*	*19.491.556*
- Other financial liabilities	*2.953.793*	*6.465.356*
Short term portion of long term bank borrowings	**31 December 2013**	**31 December 2012**
Short-term portion of long-term borrowings	57.518.164	62.354.881
- Due to related parties	*34.695.983*	*41.065.436*
- Other financial liabilities	*22.822.181*	*21.289.445*
Other financial liabilities (Note 37)	520.210	-
Total short term portion of long term bank borrowings	**58.038.374**	**62.354.881**
Total current financial liabilities	**85.231.234**	**88.311.793**

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

Non-current financial liabilities	31 December 2013	31 December 2012
Long term portion of long term bank borrowings	125.922.230	86.700.289
- Due to related parties	*28.020.646*	*28.571.088*
- Other financial liabilities	*97.901.584*	*58.129.201*
Financial liabilities due to related parties (Note 37)(*)	105.982.576	-
Total non-current financial liabilities	**231.904.806**	**86.700.289**
Total financial liabilities	**317.136.040**	**175.012.082**

(*) 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.

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 2013	31 December 2012
Less than 3 months	41.422.845	36.703.231
Within 3 - 12 months	43.288.179	51.608.562
Within 1 - 5 years	106.456.870	81.385.498
5 years and more	19.465.360	5.314.791
	210.633.254	**175.012.082**

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 month 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.

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

31 December 2013

Currency	Maturity	Weighted Average Interest Rate (%)(*)	Current Liabilities	Non-current Liabilities
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%, for USD is 4,37%).

31 December 2013

Currency	Maturity	Weighted Average Interest Rate (%)(*)	Current Liabilities	Non-current Liabilities
USD	2013-2019	Libor + 2,00-4,50	18.699.406	7.611.702
EUR	2013-2018	Euribor + 1,12-6,00	57.952.062	79.088.587
TRY	2013	6,20	11.660.325	-
			88.311.793	**86.700.289**

(*)The weighted average interest rate for EUR is Euribor + 2,92% for USD is Libor + 2,45% and for TRY is 6,20%. (Average effective annual interest rate for EUR is 3,46%, for USD is 2,98%, and for TRY is 6,20%).

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

The redemption schedule of the financial liabilities is as follows:

	31 December 2013	31 December 2012
Within 1 year	85.231.234	88.311.793
Within 1-2 years	33.024.295	31.469.777
Within 2-3 years	29.893.921	24.741.744
Within 3-4 years	25.439.952	14.266.775
Within 4-5 years	18.098.702	10.907.202
5 years and more	125.447.936	5.314.791
	317.136.040	**175.012.082**

9. Other Financial Liabilities

None.

10. Trade Receivables and Payables

Trade Receivables

Current Trade Receivables	31 December 2013	31 December 2012
Trade receivables	212.399.033	178.186.695
Notes receivable	8.272.949	4.165.729
Rediscount of notes receivable (-)	(222.740)	(441.363)
Due from related parties (Note 37)	31.916.903	8.684.020
Allowances for doubtful trade receivables (-)	(828.218)	(1.275.487)
	251.537.927	**189.319.594**

Intra-group sales of soda product payment term is 30 days as of 01 October 2014. For other sales, average term is 43 days (31 December 2012: 38 days). For overdue payments; interest rate of 2% is charged to customers on a monthly basis (31 December 2012: 2%). Average sale term for domestic sales of chrome products is 25 days on a foreign currency basis (31 December 2012: 26 days). Interest of 1% is charged for overdue payments on a monthly basis (31 December 2012: 1%). For export sales, the average term is 60 days regardless of the product line (31 December 2012: 60 days). Trade receivable related to industrial machinery sales are collected in accordance with the progress payment schedule.

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:

	2013	2012
Opening balance, 1 January	(1.275.487)	(2.706.134)
Foreign currency differences	(16.081)	81.000
Charge for the period	(465.041)	-
Provisions released	928.391	1.349.647
Closing balance, 31 December	(828.218)	(1.275.487)

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

The Group holds the following collaterals for trade receivables:

	31 December 2013	31 December 2012
Guarantee letter	37.892.837	27.866.192
Mortgages	220.000	594.812
Other	2.284.018	239.078
	40.396.855	**28.700.082**

As of 31 December 2013, TRY 14.335.417 (31 December 2012: TRY 24.480.135) 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 2013	31 December 2012
Overdue up to one month	10.716.027	21.782.243
Overdue for 1-3 months	2.075.370	2.260.060
Overdue for 3-12 months	1.318.604	437.832
Overdue for 1-5 years	225.416	-
Total overdue receivables	**14.335.417**	**24.480.135**
The part under guarantee with collateral etc.	(11.642.015)	(13.966.579)

At 31 December 2013, there are no non-current receivables (31 December 2012:None).

Trade Payables

Current Trade Payables	31 December 2013	31 December 2012
Trade payables	122.339.872	127.677.159
Due to related parties (Note 37)	24.879.749	22.557.795
Other trade payables	209	10.786
Rediscount of notes payable	(356.402)	(348.621)
	146.863.428	**149.897.119**

Chromit and Anthracite purchases are on cash basis (31 December 2012: Cash basis). Average payment period for other trade payables is 30-45 days (31 December 2012: 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 2013, there are no non-current receivables (31 December 2012:None).

11. Other Receivables and Payables

Other current receivables	31 December 2013	31 December 2012
Other receivables from related parties (Note 37)	143.802.469	6.161.461
Due from personnel	43.992	68.548
Deposits and guarantees given	1.009.574	1.724.022
Other current receivables	518.564	695.378
Power transmission line investment(*)	3.991.260	-
Allowance for other receivables	(310.114)	(255.029)
	149.055.745	**8.394.380**

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

The movements of allowance for other receivables :

	2013	2012
Opening balance, 1 January	(255.029)	(230.193)
Allowance for the period	(55.085)	(24.836)
Closing balance, 31 December	**(310.114)**	**(255.029)**

	31 December	31 December
Other non-current receivables	**2013**	**2012**
Deposits and guarantees given	172.811	160.673
Power transmission line investment(*)	-	6.168.229
	172.811	**6.328.902**

(*) As of 31 December 2013, 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.

	31 December	31 December
Other current payables	**2013**	**2012**
Due to related parties (Note 37)	16.531.472	42.462.769
Deposits and guarantees received	2.669.450	2.135.949
Other current payables	913.326	934.999
	20.114.248	**45.533.717**

	31 December	31 December
Other non-current payables	**2013**	**2012**
Deposits and guarantees received	-	25.251
Other non-current payables	173.762	124.980
	173.762	**150.231**

12. Derivative Financial Instruments

None.

13. Inventories

	31 December	31 December
	2013	**2012**
Raw materials	77.630.424	65.132.370
Work in process	2.218.826	3.012.969
Finished goods	48.379.374	42.690.916
Trade goods	2.042.945	5.594.933
Other inventories	6.513.043	3.904.168
Allowance for diminution in value of inventories (-)	(16.659)	(25.262)
	136.767.953	**120.310.094**

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

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

The movements of allowance for diminution in value of inventories	**2013**	**2012**
Opening balance, 1 January	(25.262)	-
Foreign currency differences	(4.214)	(509)
Disposal for the period	27.164	-
Provision for the period	(14.347)	(24.753)
Closing balance, 31 December	**(16.659)**	**(25.262)**

14. Prepaid Expenses and Deferred Revenue

Current prepaid expenses	**31 December 2013**	**31 December 2012**
Advances given	3.754.965	1.689.850
Prepaid expense	1.397.585	1.197.297
	5.152.550	**2.887.147**

Non-current prepaid expenses	**31 December 2013**	**31 December 2012**
Advances given	1.822.831	7.841.590
Prepaid expense	89.887	341.964
	1.912.718	**8.183.554**

Current deferred revenue	**31 December 2013**	**31 December 2012**
Order advances received	8.582.836	4.418.925
Short term deferred revenue	208.140	-
	8.790.976	**4.418.925**

At 31 December 2013, there are no non-current deferred revenues (31 December 2012:None).

15. Construction Contracts

	31 December 2013	**31 December 2012**
Accumulated contract costs incurred for ongoing work performed	34.419.350	35.202.666
Revenue recognized less costs recognized (net)	-	-
Less: Progress payments received (-)	(24.341.695)	(23.439.888)
	10.077.655	**11.762.778**

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

	31 December 2013	**31 December 2012**
Receivables from ongoing construction contracts (Note 26)	10.077.655	11.762.778
Allowance for loss making projects(Note 26)	-	-
	10.077.655	**11.762.778**

As of 31 December 2013, the guarantee letters given to progress payments amount to TRY 3.489.803 (31 December 2012: TRY 5.293.477) and the advances received amount to TRY 3.391.903 (31 December 2012: TRY 5.867.961).

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 increased/decreased by TRY 169.607 (31 December 2012: TRY 236.047).

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

16. Joint Ventures and Associates Under Equity Method

Net asset values represented in the balance sheet of the associates are as follows:

	31 December 2013	31 December 2012
Solvay Şişecam Holding AG	190.997.441	142.366.910
Oxyvit Kimya San. ve Tic. A.Ş.	6.202.885	5.747.245
	197.200.326	**148.114.155**

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

Solvay Şişecam Holding AG	**31 December 2013**	**31 December 2012**
Current assets	379.846.164	213.702.071
Non-current assets	627.288.840	523.286.967
Total assets	**1.007.135.004**	**736.989.038**
Current liabilities	182.273.965	113.556.343
Non-current liabilities	45.082.796	42.429.270
Total Liabilities	**227.356.761**	**155.985.613**
Non-controlling interests	15.788.480	11.535.787
Net Assets	**763.989.763**	**569.467.638**
The Group's share in net assets (%)		
- Direct and indirect ownership ratio (%)	25,00	25,00
- Effective ownership ratio (%)	24,86	25,00
The Group's share in net assets	**190.997.441**	**142.366.910**

	1 January- 31 December 2013	**1 January- 31 December 2012**
Revenue	523.951.172	507.636.419
Profit /(Loss) from continuing operations	120.175.704	49.674.778
Dividends distributed from current year profit	18.490.317	14.925.422
Profit /(Loss) from continuing operations	**138.666.021**	**64.600.200**
Other comprehensive income	148.952.090	(19.295.578)
Total comprehensive income	**287.618.111**	**45.304.622**
The Group's share in profit /(loss) from continuing operations	**34.666.505**	**16.150.050**
Dividends distributed from retained earnings	**74.605.668**	**-**
Group share of distributed dividends	**23.222.923**	**3.560.473**

Solvay Şişecam Holding AG is an equity established in company Austria Vienna for the purpose of directly or 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 ("TL") unless otherwise indicated.)

Oxyvit Kimya Sanayii ve Tic.A.Ş.	**31 December 2013**	**31 December 2012**
Current assets	12.862.015	12.180.043
Non-current assets	10.895.049	9.037.147
Total assets	**23.757.064**	**21.217.190**
Current liabilities	5.769.910	4.990.852
Non-current liabilities	3.889.688	3.164.417
Total Liabilities	**9.659.598**	**8.155.269**
Net Assets	**14.097.466**	**13.061.921**
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	**6.202.885**	**5.747.245**

	1 January-31 December 2013	**1 January-31 December 2012**
Revenue	27.775.289	29.253.940
Profit /(Loss) from continuing operations	**4.283.762**	**4.802.472**
Other comprehensive income	-	-
Total comprehensive income	**4.283.762**	**4.802.472**
The Group's share in profit /(loss) from continuing operations	**1.884.855**	**2.113.088**
Dividends distributed from retained earnings	**3.248.218**	-
Group share of distributed dividends	**1.429.215**	**-**

Movements of the associates during the preiod are as below:

	2013	**2012**
Opening balance, 1 January	148.114.155	138.406.268
Income from associates and joint ventures	36.551.360	18.263.138
Dividend income	(24.652.138)	(3.560.473)
Foreign currency differences	37.186.949	(4.994.778)
Closing balance, 31 December	**197.200.326**	**148.114.155**

Income from associates and joint ventures	36.551.360	18.263.138
Loss from disposal of joint venture	-	(3.887.462)
Allowance related to liabilities	-	1.229.778
Total	**36.551.360**	**15.605.454**

17. Investment Properties

None.

(Amounts are expressed in Turkish Lira ("TL") 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 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
Restated	-	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)
Restated	-	(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**

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

(Amounts are expressed in Turkish Lira ("TL") 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 2012	39.642.824	114.468.010	100.612.522	971.460.345	5.823.017	24.050.202	4.665.772	41.058.257	1.301.780.949
Increase due to acquisition (Note 27)	-	526.451	509.619	162.708.065	-	273.843	301.518	4.386	164.323.882
Currency translation differences	(654.825)	(248.274)	(1.388.847)	(5.811.219)	(110.433)	(25.383)	(9.516)	243.412	(8.005.085)
Additions	-	24.500	18.930	1.375.021	10.830	104.698	260.610	88.392.786	90.187.375
Disposals	(179.044)	-	-	(104.279)	(133.352)	(37.927)	(66.146)	-	(520.748)
Transfers	(4.422.388)	15.324.115	1.954.491	82.981.591	74.300	741.017	-	(96.653.126)	-
Closing balance, 31 December 2012	**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**
Accumulated depreciation									
Opening balance, 1 January 2012	-	(46.406.657)	(35.110.668)	(675.485.161)	(3.607.613)	(19.781.479)	(4.219.194)	-	(784.610.772)
Increase due to acquisition (Note 27)	-	(94.845)	(41.890)	(31.959.216)	-	(167.120)	(297.218)	-	(32.560.289)
Currency translation differences	-	28.363	192.302	1.578.499	47.862	17.474	9.824	-	1.874.324
Charge for the period (*)	-	(4.569.080)	(3.008.396)	(58.764.852)	(457.638)	(1.449.352)	(178.096)	-	(68.427.414)
Disposals	-	-	-	104.279	131.105	37.893	66.146	-	339.423
Closing balance, 31 December 2012	**-**	**(51.042.219)**	**(37.968.652)**	**(764.526.451)**	**(3.886.284)**	**(21.342.584)**	**(4.618.538)**	**-**	**(883.384.728)**
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 ("TL") unless otherwise indicated.)

19. Intangible Assets

Cost	Rights	Other intangible assets	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**

Cost	Rights	Other intangible assets	Total
Opening balance, 1 January 2012	8.222.525	1.321.900	9.544.425
Increase due to acquisition (Note 27)	231.495	930.000	1.161.495
Currency translation differences	-	(48.694)	(48.694)
Additions	436.081	33.231	469.312
Disposals	(220.210)	(930.000)	(1.150.210)
Closing balance, 31 December 2012	**8.669.891**	**1.306.437**	**9.976.328**
Accumulated amortization			
Opening balance, 1 January 2012	(6.754.131)	(1.027.547)	(7.781.678)
Increase due to acquisition (Note 27)	(29.801)	(116.250)	(146.051)
Currency translation differences	-	35.052	35.052
Charge for the period (*)	(535.647)	(168.602)	(704.249)
Disposals	29.487	116.250	145.737
Closing balance, 31 December 2012	**(7.290.092)**	**(1.161.097)**	**(8.451.189)**
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

	2013	2012
Opening balance, 1 January	5.540.593	4.899.103
Payment for the period (Note 3)	-	795.808
Currency translation differences	1.377.786	(154.318)
Closing balance, 31 December	**6.918.379**	**5.540.593**

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

21. Government Grants and Incentives

Certain expenses regarding industries relating to R&D projects which have been certified by expert organizations are reviewed and evaluated so that aspecific proportion of these expenses are considered as grants and can be refunded within 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

Movements in provision for litigation are as follows:

Short-term provisions	31 December 2013	31 December 2012
Provision for cost expenses	2.062.108	1.512.002
Provision for litigation	2.669.144	1.993.039
Provision for other expenses	1.308.279	460.094
	6.039.531	**3.965.135**

	2013	2012
Opening balance at 1 January	1.993.039	2.092.851
Currency translation differences	-	(1.765)
Period charge	814.963	112.693
Payments in the period/provisions released	(138.858)	(210.740)
Closing balance, 31 December	**2.669.144**	**1.993.039**

As of 31 December 2013, the Group management evaluated the views of its legal advisors and estimated the provision for litigation against the Group as TRY 2.669.144 (31 December 2012:TRY 1.993.039).

Contingent liabilities as of 31 December 2013 and 31 December 2012 are as follows:

	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 Third Parties Not Covered By B and C	None	None	None	None
iii. Given in Favour of Third Parties Not Covered by C	None	None	None	None
	302.179.935	**52.411.500**	**61.602.473**	**9.422.409**

	31 December 2012			
Collaterals, pledge and mortgages given by the Company	**Total (TRY)**	**USD**	**EUR**	**TRY**
A. Given Under the Group's Own Corporate Identity	9.224.949	318.560	575.000	7.304.856
B. Given In Favour of Fully Consolidated Subsidiaries	94.526.558	-	40.194.990	-
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	167.006.267	48.184.127	34.491.322	-
i. Given in Favour of Main Shareholder	167.006.267	48.184.127	34.491.322	-
ii. Given in Favour of Third Parties Not Covered By B and C	None	None	None	None
iii. Given in Favour of Third Parties Not Covered By C	None	None	None	None
	270.757.774	**48.502.687**	**75.261.312**	**7.304.856**

Ratio of CPM's given by the Company to the Company's equities is 7,44 % as of 31 December 2013 (16,74 % as of 31 December 2012).

23. Commitments

Other Commitments

According to agreements made with Botaş Boru Hatları and Petrol Taşıma A.Ş. and Aygaz Doğalgaz Toptan Satış A.Ş, the Group has 762.557.163 m^3 natural gas purchase commitment between 1 January 2014 - 31 December 2014 (31 December 2012: 723.701.525 m^3).

24. Employee Benefits

Short-term employee benefits

	31 December 2013	31 December 2012
Payables to personnel	2.204.834	1.911.756

Unused vacation provisions	**31 December 2013**	**31 December 2012**
Unused vacation provision for the period	473.571	640.793

Long term employee benefits (Employment Termination 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 3,254.44 for each period of service as of 31 December 2013 (31 December 2012: TRY 3.033,98). The retirement pay provision ceiling is revised semi-annually, and TRY 3.438,22 which is effective from 1 January 2014, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2012: TRY 3.129,25 effective from 1 January 2013). Liability of employment termination benefits is not subject to any funding as there isn't an obligation.

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.

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

The principal assumption is that the maximum liability for each year of service will increase 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 31December 2013 and 31 December 2012 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 2012: 5,00%) and a discount rate of 8,37% (31 December 2012: 8,37%), the real discount rate is approximately 3.21% (31 December 2012: 3,21%). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered.

The movement of the employment termination benefits is as follows:

	2013	2012
Opening balance, 1 January	20.687.884	19.373.100
Currency translation differences	324.162	(37.858)
Service costs	4.179.613	3.681.762
Interest costs	626.567	862.626
Actuarial gain/loss	-	1.338.262
Paid during period	(1.764.118)	(4.530.008)
Closing balance, 31 December	**24.054.108**	**20.687.884**

25. Impairment of Assets

Impairment of assets	**31 December 2013**	**31 December 2012**
Allowances for doubtful trade receivables	828.218	1.275.487
Allowance for other receivables	310.114	255.029
Allowance for diminution in value of inventories	16.659	25.262
Impairment of available for sale financial asset	655.448	655.448
	1.810.439	**2.211.226**

26. Other Assets and Liabilities

Other current assets	**31 December 2013**	**31 December 2012**
Receivables from ongoing construction contracts (Note 15)	10.077.655	11.762.778
VAT carried forward	8.299.539	2.772.948
Recoverable VAT on exports	13.818.846	27.252.145
Other	686.420	57.431
	32.882.460	**41.845.302**

Other non-current assets	**31 December 2013**	**31 December 2012**
Spare parts to be used in the following years	3.803.309	12.098.730
Other non-current assets	29.365	23.517
	3.832.674	**12.122.247**

Other current liabilities	**31 December 2013**	**31 December 2012**
Taxes and dues payable	5.949.602	3.091.623
Social security premiums payable	1.799.792	1.601.597
Expense accruals	236.480	1.250.756
Other	90.577	83.648
	8.076.451	**6.027.624**

There are no non-current liabilities. (2012:None).

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

27. Equity

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 45.700.000.000 shares issued on bearer with a nominal value of Kr 1 (One Kr) each (Kr represents 1/100 of TRY).

	31 December 2013	31 December 2012
Registered Capital	1.000.000.000	1.000.000.000
Paid-in-capital	457.000.000	425.000.000

	31 December 2013		31 December 2012	
Shareholder	Amount TRY	Share (%)	Amount TRY	Share (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.	278.750.219	61,00	259.231.604	61,00
Anadolu Cam Sanayii A.Ş.	81.959.547	17,93	76.220.585	17,93
Camiş Madencilik A.Ş.	120.224	,03	111.806	,03
Denizli Cam San. ve Tic. A.Ş.	113.794	,02	105.826	,02
Trakya Cam Sanayii A.Ş.	48.970.476	10,72	45.541.471	10,72
Other (*)	47.085.740	10,30	43.788.708	10,30
Nominal capital	**457.000.000**	**100,00**	**425.000.000**	**100,00**

(*)Other includes the publicly traded portion of Türkiye Şişe ve Cam Fabrikaları A.Ş shares.

The Company increased its issued capital amounting to TRY 254.100.000 within its existing registered capital ceiling of TRY 500.000.000 to TRY 368.796.022 pursuant to approval of the transactions regarding the acquisition of Cogeneration Plant Operation, which was included under the assets of Camiş Elektrik Üretim A.Ş., through the partial spin-off of Camiş Elektrik Üretim A.Ş. within the scope of Turkish Commercial Code and Capital Markets Board provisions and Articles 19 and 20 of Corporate Income Tax Law at the general assembly dated 28 March 2012, and share capital was later increased to TRY 425.000.000 by using the extraordinary reserves amounting to TRY 56.203.978 and registration was completed on 2 November 2012.

At the meeting of Board of Directors, dated 26 November 2012, it was decided to increase the current registered capital ceiling of TRY 500.000.000 as TRY 1.000.000.000 and the decision was approved at the extraordinary general assembly held on 22 January 2013.

According to Ordinary General Assembly Meeting of Group held on 10 April 2013, cash dividends amounting to TRY 32.000.000 of previous year profit TRY 64.000.000 was distributed at 31 May 2013 and bonus shares of TRY 32.000.000 were distributed at 28 June 2013. As a result of the capital increase, the issued capital was increased to TRY 457.000.000.

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

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

	31 December 2013		31 December 2012	
	Amount	**Share**	**Amount**	**Share**
Shareholder	**TRY**	**(%)**	**TRY**	**(%)**
T. İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı	130.295.948	28,51	115.891.627	27,27
Atatürk Hisseleri (Cumhuriyet Halk Partisi)	69.549.730	15,22	69.261.270	16,30
Other (*)	257.154.322	56,27	239.847.103	56,43
Nominal capital	**457.000.000**	**100,00**	**425.000.000**	**100,00**

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

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

	31 December 2013	31 December 2012
Actuarial gain /loss fund for employee termination provision	(1.972.127)	(1.972.127)

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

<u>*Provision for employee termination benefits actuarial gain /loss fund*</u>

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.

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

Revaluation funds	**31 December 2013**	**31 December 2012**
Currency translation differences	106.854.820	47.023.755
Financial asset revaluation reserve	(428.582)	2.430.622
	106.426.238	**49.454.377**

<u>Revaluation fund on financial assets</u>

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.

d. Restricted Reserves

Restricted reserves attributable to equity holder of the parent company	**31 December 2013**	**31 December 2012**
Legal reserves	39.724.375	34.372.614
Gain from disposals of tangible assets	278.217	-
	40.002.592	**34.372.614**

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

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

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

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

"Legal Reserves", "Share Premium" in the legal reserve status 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 retained earnings that amount to TRY 413.736.413 (31 December 2012: TRY 350.094.497) is TRY 365.853.573 (31 December 2012: TRY 349.948.324).

Profit Distribution

Dividends are distributed according to Communiqué Serial: II-19.1 on "Principles Regarding Distribution of Dividends and Interim Dividends for Listed Entities Subject to Capital Markets Board Law", principles set out in corporate articles of association and publicly declared dividend distribution policy.

In addition, with the same CMB decision, 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 profit for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II-14.1 that sufficient reserves exists in the unconsolidated 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 2013	31 December 2012
Net profit for the period	487.841.933	85.535.228
Legal reserves	(24.392.097)	(4.276.762)
Special funds in accordance with Income Tax Law 5/1-e	-	(278.217)
Net distributable profit for the period	**463.449.836**	**80.980.249**
Excess reserve	365.853.573	349.948.324
	829.303.409	**430.928.573**

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.

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

The transactions that were held with purpose of re-structuring of Group companies between 1 January and 31 December 2012 are as follows:

Şişecam Soda Lukavac's capital was increased in cash in 2012. The Group's share in Şişecam Soda Lukavac increased to 89,30% from 88,37%. Consequently, the non-controlling interest increased by TRY 545.919 and interest attributable to equity holders of the parent company decreased by TRY 545.919.

The transactions under common control:

As a result of the acquisition of Cogeneration Plant Operation, previously included under the assets of Camiş Elektrik Üretim A.Ş., through partial spin-off transaction in accordance with the provisions of the relevant legislation; the Company transferred shares, nominal amount of which corresponded to TRY 114.696.022 to the shareholders of Camiş Elektrik Üretim A.Ş. on 22 June 2012.

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) of 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 associates 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; in total amount to EUR 184.102.377

All of the related shares were sold to Şişecam Chem İnvestment 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 was decided that the paid-in capital of Şişecam Chem İnvestment BV amounting to EUR 1.000.000 to 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 İnvestment BV by the Group on 8 November 2013 in order to be used in capital increase of Şisecam Chem İnvestment 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. After the share transfers, the dilution of Group's shares in its subsidiaries regarded a transaction with non-controlling interests and is accounted for under equity.

Financial statement information of Şişecam Soda Lukavac d.o.o. which constitutes significant amount of the Company's non-controling interest among it's subsidiaries is as follow:

	31 Aralık 2013	31 Aralık 2012
Current assets	91.652.915	54.104.849
Non-current assets	249.595.982	178.147.064
Total assets	**341.248.897**	**232.251.913**
Current liabilities	100.162.238	69.959.068
Non-current liabilities	111.250.997	74.697.675
Total liabilities	**211.413.235**	**144.656.743**

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

28. Sales and Cost of Sales

Sales	1 January-31 December 2013	1 January-31 December 2012
Sales	1.131.372.340	1.000.395.515
Electricity sales (*)	277.911.741	187.248.286
Other income	304.138	257.166
Sales returns (-)	(369.432)	(203.337)
Sales discount (-)	(5.266.640)	(5.186.879)
Other sales discount (-)	(53.363)	(25.924)
	1.403.898.784	**1.182.484.827**

(*)1.730.277.745 kwh electricity sold between 1 January-31 December 2013 (2012:1.215.392.520 kwh).

Cost of sales	1 January-31 December 2013	1 January-31 December 2012
Direct materials	(488.209.204)	(408.234.368)
Direct labor	(33.588.012)	(28.153.799)
Production overheads	(373.300.553)	(306.017.207)
Depreciation	(85.255.205)	(66.125.459)
Change in work in process	(794.143)	(41.939)
Change in finished goods	5.688.458	7.249.363
Cost of goods sold	**(975.458.659)**	**(801.323.409)**
Cost of merchandise sold	(140.005.201)	(138.256.138)
	(1.115.463.860)	**(939.579.547)**

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

	1 January-31 December 2013	1 January-31 December 2012
General administrative expenses (-)	(55.181.071)	(51.725.111)
Marketing, selling, and distributing expenses (-)	(61.777.432)	(50.861.138)
Research and development expenses (-)	(2.372.665)	(2.121.240)
	(119.331.168)	**(104.707.489)**

30. Operating Expenses by Nature

	1 January-31 December 2013	1 January-31 December 2012
Direct materials	(2.048.420)	(1.968.426)
Personnel expenses	(34.789.089)	(31.990.100)
Services rendered by third parties	(39.094.958)	(30.494.826)
Miscellaneous expenses	(37.807.202)	(34.443.208)
Duties, taxes and levies	(2.753.319)	(2.804.725)
Depreciation and amortisation	(2.838.180)	(3.006.204)
	(119.331.168)	**(104.707.489)**

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

31. Other Operating Income/ (Expenses)

Other operating income	1 January-31 December 2013	1 January-31 December 2012
Fx gain/loss related with trade receivables and payables	41.358.470	12.379.263
Rediscount on interest gain	319.442	8.548
Payments in the period/provisions released	928.391	1.349.647
Service income	3.626.238	2.115.627
Rental income	109.880	375.950
Remuneration for salvage	1.936.220	3.873.305
Other income and profits	2.799.030	3.381.752
	51.077.671	**23.484.092**

Other operating expenses	1 January-31 December 2013	1 January-31 December 2012
Fx gain/loss related with trade receivables and payables	(13.162.189)	(16.126.568)
Rediscount on interest loss	(92.508)	(241.163)
Commission expenses	(37.715)	(42.765)
Overseas subsidiary gain witholding tax	-	(2.931.295)
Provision expenses	(520.126)	(24.836)
Energy transmission line expenses	(1.840.319)	-
Other loss and expenses	(4.957.306)	(4.130.323)
	(20.610.163)	**(23.496.950)**

32. Income and Expense from Investing Activities

Income from Investing Activities	1 January-31 December 2013	1 January-31 December 2012
Dividend income	930.980	1.536.583
Gain on sale of marketable securities	1.179	2.266
Gain on sale of property,plant and equipment	456.047	-
	1.388.206	**1.538.849**

Expenses from Investing Activities	1 January-31 December 2013	1 January-31 December 2012
Loss from sale of property,plant and equipment	-	(635.798)
	-	**(635.798)**

33. Financial Income and Expenses

Financial Income	1 January-31 December 2013	1 January-31 December 2012
Interest income	10.860.011	6.359.978
Income from currency exchange differences	43.964.231	11.357.486
Income from currency exchange differences on bank borrowings	1.608.699	7.528.123
	56.432.941	**25.245.587**

Financial expenses	1 January-31 December 2013	1 January-31 December 2012
Interest expense	(12.763.792)	(12.306.168)
Loss from currency exchange differences on bank borrowings	(11.482.706)	(3.816.785)
Loss from currency exchange differences	(28.381.216)	(21.216.383)
	(52.627.714)	**(37.339.336)**

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

34. Assets Held for Sale and Discontinued Operations

None.

35. Taxes 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 2013	31 December 2012
Deferred tax assets	8.266.807	2.792.721
Deferred tax liabilities	-	-
Deferred tax liabilities (net)	**8.266.807**	**2.792.721**

Timing differences constitute a basis for Deferred Tax	31 December 2013	31 December 2012
Useful life and valuation differences on tangible and intangible assets	121.456.813	118.728.823
Provision for employment termination benefits	(24.054.108)	(20.687.884)
Provision for inventories	268.284	(1.885.624)
Impairment of available for sale financial asset	(535.728)	2.558.550
Deferred revenue	(7.172.900)	(5.619.078)
Losses from previous years	(28.388.539)	(32.960.520)
Reduced corporate tax	(132.143.745)	(111.401.460)
Other	(5.862.518)	(2.069.848)
	(76.432.441)	**(53.337.041)**
Provision for deferred taxes	33.608.821	39.727.174
	(42.823.620)	**(13.609.867)**

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

Deferred tax (assets) / liabilities	31 December 2013	31 December 2012
Useful life and valuation differences on tangible and intangible assets	(23.973.324)	(24.018.084)
Provision for employment termination benefits	4.853.976	4.167.324
Provision for inventories	(53.657)	377.125
Impairment of available for sale financial asset	107.146	(127.928)
Deferred revenue	1.434.580	1.123.816
Losses from previous years	5.677.708	6.592.104
Reduced corporate tax	26.428.749	22.280.292
Other	442.856	295.308
	14.918.034	**10.689.957**
Provision for deferred taxes	(6.651.227)	(7.897.236)
Deferred tax assets as of balance sheet date	**8.266.807**	**2.792.721**

The Group has TRY 28.388.539 carry forward tax loss as of balance sheet date (31 December 2012: TRY 32.960.520). Maturity of carry forward tax losses is as follows:

	31 December 2013	31 December 2012
Within 1 year	13.654.463	4.967.555
Within 2 years	3.441.120	13.654.463
Within 3 years	5.707.774	3.441.120
Within 4 years	5.189.609	5.707.774
Within 5 years	395.573	5.189.608
	28.388.539	**32.960.520**

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

The Group has TRY 91,951 carry forward tax loss as of balance sheet date (31 December 2012: None).

Movements of deferred tax assets and liabilities are as follows:

	2013	2012
Opening balance, 1 January	2.792.721	(6.238.808)
Exchange differences	14.979	(20.934)
Increase due to merger	-	(2.805.215)
Deferred tax recognized for under equity	235.074	198.123
Charged to statement of income	5.224.033	11.659.555
Closing balance, 31 December	**8.266.807**	**2.792.721**

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% (2012: 20%).

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

The principal tax rates (%) of the tax authorities in each counTRY used to calculate deferred taxes as of 31 December 2013 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 (2012: 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 (Companies with special accounting periods file their tax returns between 1- 25 of the fourth month subsequent to the fiscal year end). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

<u>Income Withholding Tax</u>

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.

<u>Reduced Corporate Tax Allowance Practice</u>

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 sertificate 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 2013 and 31 December 2012 are as follows:

Current period tax liability:	31 December 2013	31 December 2012
Current corporate tax liability	38.760.729	21.291.692
Prepaid taxes and funds	(28.609.654)	(18.443.318)
Tax provision in the balance sheet	**10.151.075**	**2.848.374**

	1 January-31 December 2013	1 January-31 December 2012
Current corporate tax liability	(38.760.729)	(21.291.692)
Foreign exchange differences	267.106	32.567
Deferred tax expense	5.224.033	11.659.555
Taxation in the statement of income	**(33.269.590)**	**(9.599.570)**

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

Reconciliation of taxation	1 January-31 December 2013	1 January-31 December 2012
Profit before taxation and minority interest	241.316.057	142.599.689
Effective tax rate	20%	20%
Expected taxation	**(48.263.211)**	**(28.519.938)**
Tax effects of		
- Non-deductible expenses	(926.428)	(688.829)
- Dividends and other non-taxable income	871.632	9.605
- Previous period's losses exempt from tax	898.558	(1.036.776)
- Tax exemption (*)	3.542.959	1.926.020
- Effects of foreign subsidiaries subject to different tax rates	(531.209)	(578.190)
- Effect of investments accounted for under the equity method	7.310.272	3.121.091
- Impact of reduced corporate tax rate	7.153.353	14.838.205
- Foreign currency hedges	-	-
- Other	(3.325.516)	1.329.242
Taxation in the statement of income	**(33.269.590)**	**(9.599.570)**

(*)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.

Current tax assets	31 December 2013	31 December 2012
Prepaid taxes and funds	93.418	14.250

36. Earnings Per Share

Earnings per share	1 January-31 December 2013	1 January-31 December 2012
Average number of shares in circulation during the period	45.700.000.000	40.169.452.090
Net profit for the period attributable to equity holders of the parent	205.819.658	132.103.256
Earning per 1 TRY nominal share	0,450	0,329
Total comprehensive income attributable to shareholders of parent company	262.791.519	124.822.847
Earnings per share from total comprehensive income with nominal	0,575	0,311

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

37. Related Party Transactions

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

Deposits at Related Parties	31 December 2013	31 December 2012
T.İş Bankası A.Ş.		
- Demand deposit	4.809.052	2.101.986
- Time deposit	182.906.803	104.978.428
	187.715.855	**107.080.414**
İşbank AG		
- Demand deposit	2.568.615	-
	190.284.470	**107.080.414**

Loans received from related parties	31 December 2013	31 December 2012
T.İş Bankası A.Ş.	21.367.224	23.937.733
İşbank AG	24.097.800	7.831.232
T.Sınai Kalkınma Bankası A.Ş.	21.896.958	12.497.997
Bank borrowings from Şişecam Dış Ticaret A.Ş.	14.917.401	11.534.373
Bank borrowings from T. Şişe ve Cam Fabr. A.Ş.	4.676.313	33.326.745
Financial liabilities from T. Şişe ve Cam Fabr. A.Ş. (*)	106.502.786	-
	193.458.482	**89.128.080**

(*) 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.

Trade receivables from related parties	31 December 2013	31 December 2012
Trakya Cam San. A.Ş.	8.132.875	1.302.716
Paşabahçe Cam San. ve Tic. A.Ş.	3.824.118	157.506
Trakya Cam Yenişehir San. A.Ş.	3.658.230	981.583
Anadolu Cam Yenişehir San. A.Ş.	3.165.698	925.464
Trakya Glass Bulgaria EAD	3.067.023	1.169.001
Anadolu Cam San. A.Ş.	2.932.652	698.252
Anadolu Cam Eskişehir Sanayi A.Ş.	2.477.949	-
Cam Elyaf San. A.Ş.	1.436.109	6.661
İş Merkezleri Yönetim ve İletişim A.Ş.	1.177.961	1.297.682
Solvay Sodi AD	581.853	1.447.427
Camiş Madencilik A.Ş.	544.531	173.354
Oxyvit Kimya San. ve Tic. A.Ş.	354.150	62.650
Bayek Tedavi Sağlık Hizm. Ve İşlt. A.Ş.	338.653	367.051
Denizli Cam Sanayi A.Ş.	135.832	453
İş Net Bilgi Ür.Dağ.Tic. ve İletişim Hiz. A.Ş.	33.911	31.574
Anadolu Anonim Türk Sigorta A.Ş.	32.375	28.247
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	22.983	-
Paşabahçe Eskişehir Cam San ve Tic. A.Ş. (*)	-	34.399
	31.916.903	**8.684.020**

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

Other receivables from related parties	31 December 2013	31 December 2012
T.Şişe ve Cam Fabrikaları A.Ş.	109.214.651	-
Cam Elyaf San. A.Ş.	29.421.206	856.952
Oxyvit Kimya San. ve Tic. A.Ş.	3.429.483	-
Anadolu Cam Eskişehir Sanayi A.Ş.	1.277.511	-
Camiş Madencilik A.Ş.	271.222	273.433
Anadolu Cam Yenişehir San. A.Ş.	160.534	2.823.295
Denizli Cam Sanayi A.Ş.	15.199	-
Trakya Cam Yenişehir A.Ş.	12.663	721.930
Paşabahçe Mağazaları A.Ş.	-	192.464
Trakya Cam San. A.Ş.	-	726.149
Anadolu Cam San. A.Ş.	-	428.316
Paşabahçe Eskişehir Cam San ve Tic. A.Ş. (*)	-	138.922
	143.802.469	**6.161.461**

(*) Paşabahçe Cam Sanayii ve Tic. A.Ş. and Paşabahçe Eskişehir Cam Sanayii ve Tic. A.Ş. merged on 31 January 2013.

Trade payables to related parties	31 December 2013	31 December 2012
Solvay Sodi AD	18.065.335	4.402.981
T. Şişe ve Cam Fabr. A.Ş.	5.084.639	14.670.977
Rudnik Krecnjaka Vijenac d.o.o.	854.503	533.900
Trakya Polatlı Cam Sanayi A.Ş.	803.355	1.286.736
Camiş Ambalaj San. A.Ş.	41.393	16.084
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	10.200	-
İş Merkezleri Yönetim ve İletişim A.Ş.	10.188	15.821
Paşabahçe Cam San. ve Tic. A.Ş.	10.136	823
Trakya Cam San. A.Ş.	-	1.150.473
Paşabahçe Eskişehir Cam San. ve Tic. A.Ş. (*)	-	480.000
	24.879.749	**22.557.795**

Non-trade payables to related parties	31 December 2013	31 December 2012
Trakya Cam San. A.Ş.	12.114.029	-
Paşabahçe Cam San. ve Tic. A.Ş.	2.611.334	217.609
Çayırova Cam San. A.Ş.	712.676	514.024
Anadolu Cam San. A.Ş.	463.920	-
Oxyvit Kimya San. ve Tic. A.Ş.	168.622	587.941
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	160.427	156.439
Şişecam Dış Ticaret A.Ş.	150.074	11.334.731
Camiş Elektrik Üretim A.Ş.	91.174	128.312
Camiş Ambalaj San. A.Ş.	24.792	80.143
T.Şişe ve Cam Fabr. A.Ş.	-	29.307.914
Denizli Cam Sanayi A.Ş.	-	125.548
Other	34.424	10.108
	16.531.472	**42.462.769**

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 2013 was 0.55% (December 2012: 0.85%).

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

Sales to related parties	1 January-31 December 2013	1 January-31 December 2012
Trakya Cam San. A.Ş.	72.916.006	47.305.384
Paşabahçe Cam San. ve Tic. A.Ş.	38.575.281	13.798.627
Trakya Yenişehir Cam San. A.Ş.	36.687.586	33.926.049
Anadolu Cam San. A.Ş.	30.264.193	25.723.634
Anadolu Cam Yenişehir A.Ş.	29.340.120	22.777.734
Trakya Glass Bulgaria EAD	24.506.183	20.759.204
Anadolu Cam Eskişehir Sanayi A.Ş.	16.039.467	-
İş Merkezleri Yönetim ve İletişim A.Ş.	12.124.712	8.929.199
Cam Elyaf San. A.Ş.	11.743.946	2.919.631
Camiş Madencilik A.Ş.	3.952.639	1.018.874
Bayek Tedavi Sağlık Hizm.ve İşlt.A.Ş.	3.265.847	2.281.782
OJSC Mina	2.171.438	1.632.394
Trakya Polatlı Cam Sanayi A.Ş.	1.983.190	-
Oxyvit Kimya San. ve Tic. A.Ş.	1.473.612	2.628.792
Denizli Cam San. ve Tic. A.Ş.	1.060.387	296.542
Bosen Enerji Elektrik Üret. Oto Pro. Grb.	771.910	-
İş Net Bilgi Ür.Dağ.Tic. ve İlet.Hiz.A.Ş.	300.577	186.158
Anadolu Anonim Türk Sigorta A.Ş.	269.560	163.046
Paşabahçe Eskişehir Cam San. ve Tic. A.Ş.(*)	-	7.866.779
Rudnik Krecnjaka Vijenac d.o.o.	-	302.710
	287.446.654	**192.516.539**

Purchases from related parties	1 January-31 December 2013	1 January-31 December 2012
Solvay Sodi AD	112.918.810	111.842.719
Rudnik Krecnjaka Vijenac d.o.o.	6.309.090	6.374.290
Oxyvit Kimya San. ve Tic.A.Ş.	798.206	757.945
Camiş Elektrik Üretim A. Ş. (**)	-	45.789.823
	120.026.106	**164.764.777**

(**) As is also explained in Note 27, the Company acquired Cogeneration Plant Operation of Camiş Elektrik Üretim A.Ş.

538.353.545 TRY of the Group's exports during the period 1 January - 31 December 2013 were made through Şişecam Dış Ticaret A.Ş., who acts as an agent for these transactions (1 January – 31 December 2012:478.716.436 TRY).

Dividend Income from related parties	1 January-31 December 2013	1 January-31 December 2012
Paşabahçe Cam San. ve Tic.A.Ş.	882.630	1.536.583
Nemtaş Nemrut Liman İşlt. A.Ş.	45.950	-
Camiş Elektrik Üretim A.Ş.	2.400	-
	930.980	**1.536.583**

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

Interest income from related parties	1 January-31 December 2013	1 January-31 December 2012
T.İş Bankası A. Ş.	3.778.441	3.941.834
T.Şişe ve Cam Fabr. A.Ş.	3.399.588	98.981
Cam Elyaf San. A. Ş.	621.321	60.489
Camiş Madencilik A. Ş.	257.295	147.302
Anadolu Cam Yenişehir A. Ş.	80.615	119.962
Anadolu Cam Eskişehir Sanayi A.Ş.	67.020	-
Oxyvit Kimya San. ve Tic.A.Ş.	57.345	36.042
Trakya Yenişehir Cam San. A. Ş.	15.278	98.179
Anadolu Cam San. A. Ş.	7.378	87.910
Paşabahçe Cam San. ve Tic. A. Ş.	3.937	13.152
Paşabahçe Mağazaları A.Ş.	1.934	19.404
İş Net Bilgi Ür.Dağ.Tic. ve İlet.Hiz.A.Ş.	829	-
Trakya Polatlı Cam Sanayi A.Ş.	-	2.239
Paşabahçe Eskişehir Cam San.ve Tic.A.Ş. (*)	-	60.041
Camiş Elektrik Üretim A. Ş.	-	215.297
Trakya Cam San. A. Ş.		126.197
Other	851	11.942
	8.291.832	**5.038.971**

Interest expense to related parties	1 January-31 December 2013	1 January-31 December 2012
İşbank AG	1.404.608	1.038.452
Trakya Cam San. A.Ş.	967.681	3.164
T.Şişe ve Cam Fabr. A.Ş.	940.731	4.711.175
T.Sınai Kalkınma Bankası A.Ş.	938.602	366.884
T.İş Bankası A.Ş.	846.527	287.073
Şişecam Dış Ticaret A.Ş.	282.746	567.956
Paşabahçe Cam San. ve Tic. A.Ş.	126.830	54.647
Camiş Elektrik Üretim A.Ş.	112.463	22.705
Anadolu Cam San. A.Ş.	54.123	-
Camiş Madencilik A.Ş.	50.148	-
Çayırova Cam San. A.Ş.	25.252	39.977
Camiş Ambalaj Sanayi A.Ş.	6.446	1.516
Oxyvit Kimya San. ve Tic.A.Ş.	4.699	64.849
Denizli Cam Sanayi A.Ş.	3.692	45.212
Trakya Yenişehir Cam San. A.Ş.	1.982	-
Paşabahçe Eskişehir Cam San.Tic.A.Ş.(*)	-	2.468
Other	185	-
	5.766.715	**7.206.078**

Commision expense to related parties	1 January-31 December 2013	1 January-31 December 2012
Şişecam Dış Ticaret A.Ş.	3.012.314	2.536.716
T.Şişe ve Cam Fabr. A.Ş.	48.118	347.879
Camiş Menkul Değerler A.Ş.	13.125	-
	3.073.557	**2.884.595**

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

Service expense to related parties	1 January-31 December 2013	1 January-31 December 2012
T.Şişe ve Cam Fabr. A.Ş.	14.818.572	11.865.403
	14.818.572	**11.865.403**

Other income from related parties	1 January-31 December 2013	1 January-31 December 2012
Trakya Cam San. A.Ş.	3.274.638	2.787.997
Solvay Sodi AD	1.913.923	1.729.448
Camiş Madencilik A.Ş.	1.905.653	1.652.155
Camiş Elektrik Üretim A.Ş.	1.738.501	1.537.424
Cam Elyaf San. A.Ş.	1.258.988	1.091.777
Paşabahçe Cam San. ve Tic. A.Ş.	1.078.914	1.045.682
Anadolu Cam Yenişehir San. A.Ş.	467.092	2.934.981
Rudnik Krecnjaka Vijenac d.o.o.	393.618	75.272
T.Şişe ve Cam Fabr. A.Ş.	215.517	156.777
Oxyvit Kimya San. Ve Tic. A.Ş.	157.758	145.632
Paşabahçe Eskişehir Cam San. ve Tic. A.Ş.	-	85.641
Trakya Cam Yenişehir A.Ş.	-	492.747
Anadolu Cam San. A.Ş.	-	1.873.647
Other	-	4.534
	12.404.602	**15.613.714**

Other expense to related parties	1 January-31 December 2013	1 January-31 December 2012
İş Gayrimenkul Yat.Ort. A.Ş.	1.451.753	1.474.340
Şişecam Shanghai Trading Co.Ltd.	965.921	1.335.871
T.İş Bankası A.Ş.	916.886	924.690
İş Merkezleri Yön. ve İşl. A.Ş.	662.228	629.853
Çayırova Cam San. A.Ş.	557.260	794.265
T.Şişe ve Cam Fabrikaları A.Ş.	400.734	445.746
Camiş Ambalaj San. A.Ş.	316.378	273.591
Rudnik Krecnjaka Vijenac d.o.o.	190.557	129.438
Paşabahçe Mağazaları A.Ş.	40.716	18.137
Cam Elyaf San. A.Ş.	10.343	-
Paşabahçe Cam San. ve Tic. A. Ş.	9.955	5.841
Camiş Madencilik A.Ş.	1.858	843
Şişecam Dış Ticaret A.Ş.	-	166.335
Anadolu Anonim Türk Sig. Şti.	-	1.116.907
Oxyvit Kimya San. ve Tic.A.Ş.	-	13.826
Bayek Tedavi Sağlık Hizm.ve İşlt.A.Ş.	-	114
Camiş Menkul Değerler A.Ş.	-	12.637
	5.524.589	**7.342.434**

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

Compensation to key management	1 January-31 December 2013	1 January-31 December 2012
Equity holders of the parent	3.047.316	2.634.279
Other companies subject to consolidation	2.080.280	1.087.482
	5.127.596	**3.721.761**

Key management personel is composed of top management, members of board of directors, general manager and general manager assistants and factory directors. 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 2013 – 31 December 2013 and 1 January 2012 -31 December 2012.

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.

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 2013 and 31 December 2012 the Group's net debt / total equity ratios are as follows:

	31 December 2013	31 December 2012
Borrowings and trade payables	463.999.468	324.909.201
Less: Cash and cash equivalents	(224.011.173)	(167.092.092)
Net debt	**239.988.295**	**157.817.109**
Total equity	1.236.388.952	997.842.272
Net debt / total equity ratio	**%19**	**%16**

b. Financial Risk Factors

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

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

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 ("TL") 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 ("TL") unless otherwise indicated.)

Credit risks exposed through types of financial instruments	Receivables					
	Trade Receivables		Other Receivables			
31 December 2012	Related Parties	Third Parties	Related Parties	Third Parties	Cash and Cash Equivalents	Derivative Instruments
Maximum credit risk exposure as of balance sheet date (*)	8.684.020	180.635.574	6.161.461	8.561.821	167.076.152	-
- Under maximum guarantee with collaterals, etc.	-	(110.740.170)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	8.684.020	156.155.439	6.161.461	8.561.821	167.076.152	-
- Under guarantee with collaterals, etc.	-	(96.773.591)	-	-	-	-
B. Carrying value of financial assets that are past due but not impaired	-	24.480.135	-	-	-	-
- Under guarantee with collaterals, etc.	-	(13.966.579)	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	1.275.487	-	255.029	-	-
- Impairment (-)	-	(1.275.487)	-	(255.029)	-	-
- 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 ("TL") unless otherwise indicated.)

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

	31 December 2013	31 December 2012
Guarantee letter	37.892.837	27.866.192
Mortgages	220.000	594.812
Other	2.284.018	239.078
	40.396.855	**28.700.082**

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

	31 December 2013	31 December 2012
Overdue up to one month	10.716.027	21.782.243
Overdue for 1-3 months	2.075.370	2.260.060
Overdue for 3-12 months	1.318.604	437.832
Overdue for 1-5 years	225.416	-
Total overdue receivables	**14.335.417**	**24.480.135**
The part under guarantee with collateral etc.	(11.642.015)	(13.966.579)

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

	31 December 2013	31 December 2012
Guarantee letter	1.936.474	3.659.068
Mortgages	143.588	91.645
Cash	-	8.625
Commercial letter of credit	19.202	178.260
Eximbank export insurance	9.542.751	9.922.292
Factoring	-	106.689
	11.642.015	**13.966.579**

b.2 Liquidity risk management

Group manages the liquidty 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.

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

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

		31 December 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	1.463.629	176.110	-
Total liabilities	**484.287.478**	**533.455.918**	**201.945.256**	**59.873.688**	**137.521.145**	**134.115.829**

		31 December 2012				
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	175.012.082	186.881.225	37.259.459	54.946.749	89.112.042	5.562.975
Trade payables	127.339.324	127.687.434	122.382.011	5.305.423	-	-
Due to related parties	65.020.564	65.020.564	42.820.582	22.199.982	-	-
Other payables	3.221.179	3.221.179	2.404.873	666.075	150.231	-
Total liabilities	**370.593.149**	**382.810.402**	**204.866.925**	**83.118.229**	**89.262.273**	**5.562.975**

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

b.3 Market risk management

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

b.3.1 Foreign currency risk management

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

	Foreign Currency Position as of 31 December 2013			
	TL Equivalent	**US Dollar**	**Euro**	**Other**
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	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	533.511.442	209.524.984	51.116.024	5.439.692
24. Import	131.387.079	56.881.999	6.081.058	7.742.057

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

	Foreign Currency Position as of 31 December 2012			
	TL Equivalent	US Dollar	Euro	Other
1. Trade receivables	103.098.520	36.722.955	15.798.760	482.237
2a. Monetary financial assets(cash and banks included)	156.261.773	86.041.898	1.217.544	20.187
2b. Non monetary financial assets	-	-	-	-
3. Other receivables	66.489	37.299	-	-
4. CURRENT ASSETS	259.426.782	122.802.152	17.016.304	502.424
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non monetary financial assets	-	-	-	-
7. Other receivables	-	-	-	-
8. NON CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	259.426.782	122.802.152	17.016.304	502.424
10. Trade payables	15.163.900	6.494.385	1.487.165	89.643
11. Borrowings	34.051.511	10.489.962	6.528.088	-
12a. Other monetary liabilities	3.440.898	425.610	1.140.539	-
12b. Other non monetary liabilities	-	-	-	-
13. SHORT TERM LIABILITIES	52.656.309	17.409.957	9.155.792	89.643
14. Trade payables	-	-	-	-
15. Borrowings	11.773.230	4.270.000	1.769.583	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non monetary liabilities	-	-	-	-
17. LONG TERM LIABILITIES	11.773.230	4.270.000	1.769.583	-
18. TOTAL LIABILITIES	64.429.539	21.679.957	10.925.375	89.643
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)	194.997.243	101.122.195	6.090.929	412.781
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	194.930.754	101.084.896	6.090.929	412.781
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Export	497.594.434	194.211.608	62.777.823	4.869.512
24. Import	169.312.476	80.478.782	9.706.674	2.711.827

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

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

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 2013			
	Profit / Loss		**Equity**	
	Foreign currency appreciation	**Foreign currency devaluation**	**Foreign currency appreciation**	**Foreing currency depreciation**
Increase in value of US Dollar against TL 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 TL 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 TL 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)**

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

	31 December 2012			
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreing currency depreciation
Increase in value of US Dollar against TL by 10%				
1 - US Dollars net assets / liabilities	18.019.394	(18.019.394)	-	-
2 - US Dollars hedged from risks (-)	-	-	-	-
3 - US Dollars net effect (1 + 2)	18.019.394	(18.019.394)	-	-
Increase in value of Euro against TL by 10%				
4 - Euro net assets / liabilities	1.432.404	(1.432.404)	14.236.691	(14.236.691)
5 - Euro hedged from risks (-)	-	-	-	-
6 - Euro net effect (4 + 5)	1.432.404	(1.432.404)	14.236.691	(14.236.691)
Increase in value of other currencies against TL by 10%				
7 - Other currencies net assets / liabilities	41.278	(41.278)	-	-
8 - Other currencies hedged from risks (-)	-	-	-	-
9 - Other currencies net effect (7 + 8)	41.278	(41.278)	-	-
Total (3 + 6 + 9)	**19.493.076**	**(19.493.076)**	**14.236.691**	**(14.236.691)**

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 459.864 as of 31 December 2013 (31 December 2012: TRY 408.837).

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

Interest rate sensitivity

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

	31 December 2013			
Financial Assets	**Floating Interest**	**Fixed Interest**	**Non-Interest Bearing**	**Total**
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				
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

	31 December 2012			
Financial Assets	**Floating Interest**	**Fixed Interest**	**Non-Interest Bearing**	**Total**
Cash and cash equivalents	-	161.170.086	5.922.006	167.092.092
Available for sale financial assets	-	-	30.084.097	30.084.097
Trade receivables	-	180.635.574	-	180.635.574
Receivables from related parties	-	14.845.481	-	14.845.481
Other receivables	-	8.561.821	-	8.561.821
Financial Liabilities				
Bank borrowings	173.135.383	1.876.699	-	175.012.082
Trade payables	-	127.339.324	-	127.339.324
Payables due to related parties	-	65.020.564	-	65.020.564
Other payables	-	3.221.179	-	3.221.179

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

b.3.3 Other price risks

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

Equity price sensitivity

Sensitivity analysis presented below is determined based on the equity price risks as of the reporting date. As of the reporting date, if the equity prices were increased / decreased by 10% with the assumption of keeping all other variables constant:

- As of 31 December 2013, 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 474.276 (31 December 2012: increase/decrease amounts to TRY 841.196). This change is caused by the fair value change of equity share investments classified as available for sale.

39. Fair Value of Financial Instruments and Hedge Accounting

Categories of Financial Instruments

31 December 2013	Financial assets and liabilites 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						
Cash and cash equivalents	224.011.173	-	-	-	224.011.173	6
Financial investments	-	-	26.989.819	-	26.989.819	7
Trade receivables	-	219.621.024	-	-	219.621.024	10
Receivables from related parties	-	175.719.372	-	-	175.719.372	37
Financial liabilities						
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 ("TL") unless otherwise indicated.)

31 December 2012	Financial assets and liabilites 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
<u>Financial assets</u>						
Cash and cash equivalents	167.092.092	-	-	-	167.092.092	6
Financial investments	-	-	30.084.097	-	30.084.097	7
Trade receivables	-	180.635.574	-	-	180.635.574	10
Receivables from related parties	-	14.845.481	-	-	14.845.481	37
<u>Financial liabilities</u>						
Bank loans	175.012.082	-	-	-	175.012.082	8
Trade payables	127.339.324	-	-	-	127.339.324	10
Loans to related parties	65.020.564	-	-	-	65.020.564	37

<u>Fair Value of Financial Instruments</u>

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 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**

		Financial assets at fair value as of reporting date		
Financial assets	**31 December 2012**	**Category 1**	**Category 2**	**Category 3**
Financial assets available for sale	30.084.097	8.893.617	-	21.190.480
Total	**30.084.097**	**8.893.617**	**-**	**21.190.480**

40. Events after the Balance Sheet Date

Collective Bargaining Agreement between the Company and Oil Workers' Union has expired on 31 December 2013. On February 28, the Company and Oil Workers' Union began negotiations the Collective Bargaining Agreement fort he period 1 January 2014- 31 December 2015.

At the meeting of the Board of Directors dated 2 January 2014, Tahsin Burhan Ergene was elected as chairman of the Group, replacing Sabahattin Günceler, who has retired.

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 consolidated financial statements as of 31 December 2013 prepared in accordance with the Capital Markets Board's 28676 numbered Communiqué Serial: II, No: 14.1 are reviewed by 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 standarts 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 6 March 2014.

CONSOLIDATED PROFIT DISTRIBUTION OF 2013

Dear Partners,

Our company has closed 2013 accounting period with 205.819.658,00 TL of profit.

We submit to your information and approval that our 205.819.658,00 TL of net profit, which was stated in 2013 consolidated financial statement that was prepared in accordance with the “’Communiqué Regarding Financial Reporting in Capital Market” Serial II-14.1 of Capital Market Board (CMB), to be segregated as follows in accordance with CMB’s regulations regarding profit distribution, article 28 of our Articles of Association and the considerations specified in our company’s “Profit Distribution Policy”; that gross dividend amount of 46.000.000 TL, which accounts for 10,06564% of current issued capital, to be distributed as cash dividend and 10,06564% of current issued capital that amounts to 46.000.000 TL to be distributed as free shares to the partners, and to be paid to our shareholders, who are subject to withholding, as net cash after income tax withholding is applied, and that cash dividend payment date to be determined as May 31, 2014 and that the distribution of free shares within the legal period.

1	**Net Period Profit**	**205.819.658,00**
2.	Primary Legal Reserve	(24.392.096,64)
3.	**Net Distributable Period Profit**	**181.427.561,36**
4.	Donations Made within the Year	1.345.130,56
5.	**Net Distributable Period Profit with the Addition of Donations, where the First Dividend will be Calculated**	**182.772.691,92**
6.	**First Dividend to the Partners**	
-	Cash	46.000.000,00
-	Free	46.000.000,00
	Total Dividend	**92.000.000,00**
7.	Secondary Legal Reserve	(2.315.000,00)
8.	**Excess Reserve**	**87.112.561,36**

Best Regards,

Tahsin Burhan Ergene

Board Chairman

1. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Within the frame of "Communiqué on Principles Regarding the Specification and Application of Corporate Governance" Serial: IV, No: 56 of CMB, which has entered into effect by publishing on the Official Gazette No: 28158 on December 30th 2011, and the Communiqué Serial: IV, No: 57, which has amended the aforementioned Communiqué, this statement reflects the following responsibilities of Soda Sanayii Anonim Şirketi (Soda) regarding determination of duties, authorities and responsibilities of the Board of Directors and subordinate committees and managers and regarding shareholders, public disclosure and transparency and regulation of relations with stakeholders.

Soda, which was established in 1969 as an Institution of Türkiye İş Bankası and as a Group of Şişecam, operates in soda product and chromium chemicals sectors. Soda offers Soda Chemicals manufactured in Soda Factory in Mersin and purchased from its affiliate Solvay Sodi in Bulgaria for the use of domestic and international glass, textile, detergent, chemistry, food and feed industries.

Our Sales Company Şişecam Bulgaria Ltd., which is located in Bulgaria, offers Soda Chemicals purchased from Solvay Sodi for use of various customers in Bulgaria and other countries.

Soda Chemicals, which are manufactured in our Subsidiary Şişecam Soda Lukavac d.o.o. in Bosnia Herzegovina, are mostly exported.

Soda, which is among the major global manufacturers in Chromium Chemicals, offers basic chromium sulfide, chromic acid, sodium sulfur and sodium sulfhydrate products that it manufactures in Mersin Kromsan Factory and supplies from Cromital S.p.A. company in Italy, of which the company became shareholder in 2005 and purchased the entire company in 2011, for the use of significant industrial sectors in domestic and international markets, such as leather, wood impregnate, chemistry and paper.

Asmaş Ağır Makine Sanayii A.Ş., which was established in Izmir and participated to Soda in 2008, offers service in establishing a complete facility, manufacturing projects and technology, and to manufacture the equipment for iron-steel, cement, energy and defense industry sectors.

While Soda is ranked among top 10 suppliers in the world and among top 4 suppliers in Europe in Soda sector, it is among top 3 manufacturers in the world in Chromium Chemicals sector. Due to its position, the company has established its managerial understanding on equality, transparency, accountability and responsibility. With its specialization and position among Europe's and world's most prominent manufacturers with its compatible activities are by far the sharpest proofs of Soda's management insight.

Soda attaches great importance to the increase of productivity and sustainability in cost-effectiveness and carries out these goals by supporting modernization and R&D investments.

Soda, has high level sensibility regarding environment and employee health and conducts its activities in this subject within the scope of Responsible Care System, which is applied based on voluntary action by the chemistry sectors of developed countries.

Modern management and industrialism principles, which carries Soda to its current position, such as high corporation level, market and R&D orientation, growth, increase of productivity and product and service quality, compose the basic foundations for stronger Soda in the future. Soda aims to consolidate its position by adapting these corporate management principles. Our company shows utmost care to comply with Capital Market Legislation and Capital Market Board (CMB) regulations in corporate governance applications, and the principles, which took place in appendix of Corporate Governance Communique in activity period that ended in December 31, 2013, and which are not completely harmonized with yet, have not caused any conflicts of interest among stakeholders as of the current status.

In the activity period, which ended in December 31, 2013, the explanations regarding principles that are non-compulsory for the company among the Corporate Governance Principles within Communiqué on Principles Regarding the Specification and Application of Corporate Governance appendix, are stated in related sections of the report.

On the other hand, the applications, which were implemented for compliance with Corporate Governance Principles and which are important are summarized below.

- The most important application regarding Corporate Governance in 2013 was the study of compliance with Turkish Trade Act, and Capital Market Board no: 6362, which entered into force after being published in Official Gazette no: 28513 in 30.12.2012. Within this scope, all changes prescribed in TTA and CMB legislations are applied on Company's Articles of Association.

- All related party transactions and transaction essentials in 2013 are collectively submitted to the Board of Directors. There were no related party transactions or important transactions, which had to be submitted to the approval of General Assembly, due to disapproval of independent members in 2013.
- A “Manager Responsibility Insurance” has been made for compensation of damages to the company and the third persons that occur due to negligences of the managers.

The required harmonization studies will be performed in the following period by considering the provisions of “Corporate Governance Communique” no: II-17.1, which has entered into effect after being published in Official Gazette no: 28871 in January 3, 2014.

In this context, the Corporate Governance Principles Compliance Report for 2013 has been prepared in line with decision no: 2/35 published in weekly Newsletter no: 2014/2 in January 27, 2014 by CMB and in accordance with the format specified in Assembly Newsletter no: 2013/4 in February 1, 2013 and has been introduced in sections as follows.

SECTION I - SHAREHOLDERS

2. Shareholders Affairs Department

In order to perform the obligations resulting from Capital Market Board Legislation within the frame of the rules specified in this regulation and to continue the activities more effectively, a central understanding has been adapted and our Group has been structured accordingly. Within this context, all obligations of our company and other public companies, resulting from Turkish Trade Act and Capital Market Board Legislation have been performed under the supervision, orientation and coordination of the “Investor Relations Department”, which has been constituted within the body of Financial Affairs Group Presidency of Parent Company Şişecam, in line with the Corporate Governance Principles of CMB.

“Investor Relations Department”, which has been constituted to follow all affairs between the stakeholders and the Company and to ensure that the stakeholders’ right to information is fulfilled, plays an active role in right to information and review, and also in protection and facilitation of the rights of the shareholders.

The information and explanations that may affect the shareholders while using their rights, are regularly submitted to the information of the shareholders in the Corporate Web Site of the Company.

The main activities conducted within this scope are summarized as follows.

a. Except for the confidential, undeclared information and trade secrets about the company, the verbal and written information requests of the shareholders have been satisfied.

b. The General Assembly Meetings were conducted in accordance with the regulation in effect, the articles of association and the in-house regulations.

c. The documents that the shareholders can benefit were prepared in the General Assembly meetings and declared on the Corporate Web Site of the Company.

d. The results of the ballots were recorded and the reports regarding these results were sent to the requesting shareholders.

e. All kinds of matters regarding public disclosure, including Regulation and Company Information Policy, were protected and monitored.

f. The investors were informed by participating in the meetings held in the head office of the company and in the conferences and meetings held by various national and international institutions.

g. The Analysts evaluating the company were informed.

h. The Corporate Web Site of the Company was updated and thus, the shareholders were enabled to reach quickly and easily to the information regarding the Company.

i. The information and explanations that may affect the shareholders while using their rights, are regularly submitted to the information of the shareholders in the Corporate Web Site of the Company.

j. Considering the provisions of “Special Cases Communique” of CMB, the required Material Disclosures were disclosed to the public through KAP (Public Disclosure Platform).

k. The amendments in Capital Market Board and the related regulation were followed and the related units in the company have made the necessary regulations.

Department Officers, who are responsible for enabling communication with investor affairs

Name and Surname	Position Title	Telephone	e-mail
Cihan Sırmatel	Director of Financial Affairs	0212 350 35 92	csirmatel@sisecam.com
Ahmet Bayraktaroğlu	Accounting Manager	0212 350 36 40	abayraktar@sisecam.com
Bala Zaimoğlu	Budget and Financial Control Manager	0212 350 35 94	bzaimoğlu@sisecam.com

The operations, which were performed to provide detailed information to the investors regarding the activities of the Company in 2013 are summarized below.

- Total of five investor conferences, three of which were national and two of which were international, were participated in 2013.
- 178 one-to-one meetings were held with total investors, 130 of which were share and 48 of which were bond investors; 35 one-to-one meetings were held with equity analysts. In addition, with the roadshow, which was organized within the scope of Eurobond issue, meeting with investors were held in USA and United Kingdom. Meetings were held with thirty fund and investors including conferences and in-house interviews.
- The questions of the investors were answered through telephone or e-mail in accordance with Capital Market legislation, CMB regulations and Articles of Association.

In addition, the questions of the investors, who asked their questions through Investor Relations Communication Form under "Investor Relations – How Can We Help You?" section in the Corporate Web Site, were answered as soon as possible.

3. Shareholders' Use of Information Rights

The shareholders are not discriminated while using their right of information and review. Each shareholder has the right to receive and review information. There are no regulations under the Articles of Association that limits the right of information

In 2013, written and verbal information requests of investors and shareholders were answered in accordance with Capital Market Legislation, CMB regulations and decisions, related information and documents were conveyed to investors and shareholders pursuing the equality principles except for the confidential information or trade secrets.

Within the frame of the regulation in effect, the Corporate Web Site of the Company is effectively used to make sure that the information rights of the shareholders are expanded and used efficiently. Within this scope, it contains the information suggested by the Corporate Governance Principles and the regulative authorities in Turkish and English for shareholders.

For informing and public disclosure, the following information take place in the Corporate Web Site: products, annual and interim activity reports, corporate governance compliance report, Articles of Association, trade registry information, material disclosures, partnership structure, General Assembly Meeting agendas, General Assembly meeting minutes, list of attendants of General Assembly meetings, ballot form by proxy, registration statement and public offering circular, codes of conduct, Information Policy, announcements regarding association and division. Utmost care is shown to keep the Corporate Web Site up-to-date at all times.

The right of requesting special auditor of the minority shareholders from the General Assembly has been regulated by the legal regulation. The shareholders, who hold minimum 1/20 of the capital, may be entitled with minority rights. The shareholders may request special auditor from the General Assembly to analyze the conditions suggested by the law. Request for assignment of special auditor has not been regulated as an individual right in our articles of association yet. There were no requests regarding the assignment of a special auditor within this period.

4. General Assembly Meetings

The announcement of the General Assembly meeting is made to reach maximum number of shareholders, through Public Disclosure Platform (KAP), Electronic General Assembly System (EGKS), Corporate Web Site of the Company and Turkish Trade registry Gazette at least three weeks before the meeting. In addition, before the general assembly meeting, "information documents" regarding agenda items are prepared and announced to the public. Turkish Trade Act (TTK), Capital Market Legislation, CMB regulations and decisions and Articles of Association in all announcements and notifications are complied.

Along with the notifications and explanations to be made in accordance with the legislation and together the announcement of the General Assembly meeting, on the Corporate Web Site of the Company www.sodakrom.com.tr the following matters are submitted to the information of the shareholders in "Information Documents" section under "General Assembly Announcement and Documents" under "Investor Relations" section.

a. Total number of shares and voting rights that reflect the partnership structure of the Company as from the announcement date,

b. The changes in management and activities of the company, which may significantly affect the activities of the affiliates and subsidiaries of the Company planned for the following accounting period, or that may have occurred in the previous accounting period,

c. If there are any Board of Directors Member dismissal, change or election in the agenda of the General Assembly meeting, the reasons for dismissal and change, and the information regarding the candidate for Board of Directors Membership,

d. The requests of the shareholders, Capital Market Board (CMB) and/or other public institutions and organizations related to the company regarding to add another subject to the agenda,

e. In case there are any changes for Articles of Association in the agenda, previous and new versions of the changes in Articles of Association and the Board of Directors Decision.

While preparing the agenda for the General Assembly, it is considered to give each request under a different title and the titles of the agenda are expressed as to prevent different interpretations. Attention is paid not to include phrases, such as “other” and “various” in the agenda.

While preparing the agenda, the subjects, which the shareholders sent to the Shareholders Relations Unit of the Company in written, are considered by the Board of Directors. There were no requests regarding this subject within this period.

Utmost care is shown to hold General Assembly meetings without causing inequality among the shareholders and by organizing the meetings as to make sure the shareholders can participate with lowest possible expenditure. Within this context, the time of the General Assembly meeting is determined by considering traffic, transportation and similar environmental factors. Electronic general assembly application is also considered as an application, which increases the opportunity of shareholders to participate in these meetings.

In the General Assembly meeting, the subjects are openly, clearly and objectively explained in detail and the shareholders are given the opportunity to equally explain their thoughts and ask questions. The shareholders are allowed to explain their thoughts and ask questions under equal conditions. All kinds of questions asked by the shareholders, which are not included within the scope of trade secrets, are answered directly in the general assembly meeting. In case the question is not related to the agenda or it is so comprehensive that it cannot be answered immediately, the question is answered by Shareholders Affairs Department as soon as possible in writing.

In case the shareholders, who are in administrative positions, administratively responsible managers and their spouses and their second-degree kins and affinities by marriage, perform significant operations with partnerships or subsidiaries that may cause conflict of interest and/or perform any business that involves within the field of activity of the partnership or the subsidiaries on his/her or a third party’s behalf or if they enter into another partnership with unlimited liabilities, which operates in the same sector, these operations are discussed in another agenda topic to give detailed information in general assembly and are recorded into meeting minutes.

The Board of Directors Members, other related persons, the authorities responsible for the preparation of the financial statements and the auditors present at the general assembly meeting to inform the shareholders about the specific subjects on the agenda and to answer their questions.

On the day, when the Board of Directors makes a decision for the General Assembly, the public is informed through Public Disclosure Platform (KAP) and Electronic General Assembly System (EGKS). In addition, in order to inform national and international shareholders about the announcement texts and agenda of the General Assembly, the documents of the General Assembly are published on the Corporate Web Site of the Company.

Within this context, the Information Policy, Pricing Policy, Profit Distribution Policy, personal backgrounds of all Board of Directors candidates together with the independent members are open for review in company center and web site of the company 21 days prior to the General Assembly Meeting. In addition, detailed explanations for each agenda topic are made in information documents regarding agenda topics and other information prescribed for General Assembly meetings are presented to the investors.

In accordance with the regulations of CMB, it is required to disclose the financial statements to the public within 70 days following the end of the accounting period. In order to inform shareholders immediately, the company aims to complete the financial statements as soon as possible and disclose the statements to the public.

In case there is a significant change in the management and activity organization of the company, the public is informed within the frame of the regulation.

Within this context, since his term of office ended in accordance with article 20 of Personnel Regulation of Parent Company, Chemical Group Vice Chairman of Marketing and Sales Tahsin Burhan Ergene has been appointed as Board Chairman instead of Sabahattin Günceler in January 2, 2014. This change, which was made in administrative and activity organization of the Company, have been disclosed to the public in Public Disclosure Platform (KAP) within the scope of the legislation.

The Articles of Association of the Company has been amended regarding compliance with the Corporate Governance Principles in important transactions and related party transactions defined in Corporate Governance Principles of CMB and regarding giving guarantees, pledges and securities to the third parties.

Within this context, in this period;

- Considering the advantages of the regulations brought by Cash Repatriation Law no: 6486, the restructuring works for ensuring more effective financial and economic administration of international subsidiaries of our company under the body of a company established in the Netherlands have been initiated, and within this scope; 25% of share of our Company in Solvay Şişecam Holding AG located in Austria, 100% of share in Şişecam Bulgaria Ltd located in Bulgaria, 99,5% of share in Cromital S.p.A located in Italy and 89,30% of share in Şişecam Soda Lukavac d.o.o. located in Bosnia Herzegovina have been sold to Sisecam Chem Investment B.V., which is located in the Netherlands and wholly-owned by Türkiye Şişe ve Cam Fabrikaları A.Ş. in October 31, 2013 against 184.102.377 Euro, which is specified in evaluation report prepared by Engin Bağımsız Denetim ve Serbest Mali Müşavirlik A.Ş. in October 7, 2013 and share prices have been collected by our Company as from November 8, 2013.
- Following the completion of share transfer, it has been decided to increase 1.000.000 Euro of Şisecam Chem Investment B.V. capital up to 185.000.000 Euro with 184.000.000 Euro of increase and our company has attended this capital increase instead of T. Şişe ve Cam Fabrikaları A.Ş., which has not attended by not using its preferential rights. The Company became main partner of Şişecam Chem Investment B.V. by purchasing new shares in the amount of 184.000.000 Euro and 184.000.000 Euro has been paid in November 8, 2013 in order to be used in capital increase.

The General Assembly is informed with a separate agenda topic regarding the donations and supports made to foundations and charities for social aid.

The General Assembly meetings are open to public, including media. Our General Assembly meeting is 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 present on the Corporate Web Site of the Company, are open for review of the shareholders in the Head Office of the Company and on the Corporate Web Site of the Company.

Within the period, the General Assembly is informed with a separate agenda topic regarding related party transactions and pledges, securities and mortgages on behalf of third parties.

Within this period, the Extraordinary General Assembly Meeting has been held in January 22, 2013 with 90,66% of quorum, and the Ordinary General Assembly Meeting for 2012 has been held in April 10, 2013 with 90,90% of quorum.

In the announcements and declarations regarding General Assembly meetings, the following information are given;

- The agenda, place, date and time of the General Assembly, and the principles for arranging letter of attorney and letter of attorney form for the shareholders, who will be represented through their attorneys,
- Whether the general assembly meetings will be held in physical or electronic environment, and the information that assigning attorneys, making suggestions, expressing opinions and voting for the general assembly meetings in electronic environment will be made through Electronic General Assembly System (EGKS) provided by Central Registry Office (MKK) and that the shareholders, who would like to participate the general assembly in person or through their attorneys in electronic environment shall make their preferences in accordance with the principles of EGKS,
- The information regarding the necessity of the shareholders, who would like to participate in the General Assembly in person, to present their identities or letters of attorney in case they want to use their rights regarding their shares registered in “Shareholders List” in Central Registry Office (MKK) system in person or through their attorneys,
- That including annual activity report, the financial statements, Independent External Audit Reports, profit distribution suggestion of the Board of Directors and previous and new versions of the amendment text, if there will be any amendments on the Articles of Association, will be available for examination of the partners on the Corporate Web Site of the Company.

5. Voting Rights and Minority Rights

There are not any privileges in the Articles of Association regarding the use of voting rights. In accordance with the Articles of Association, each share has one voting right. If mutual association relations bring a domination relation, the companies in mutual association cannot use the voting rights of their associated company in the General Assemblies of the aforementioned company, unless there are mandatory conditions, such as creating quorum.

Minority shares are not represented in the management. There were no criticisms or complaints regarding the Company in 2013.

6. Dividend Right

"Profit Distribution Policy", which has been determined considering Turkish Trade Act, Capital Market Board Law, Tax Laws and other legislations that the company is subject to, and the provisions of the Articles of Association, and of which the full text is given below, has been submitted for the information of the partners with a separate agenda topic and has been disclosed to the public in corporate web site of the Company.

Profit Distribution Policy;

The profit distribution policy of our company has been determined considering Turkish Trade Act, Capital Market Board Law, Tax Laws and other legislations that the company is subject to, and the provisions of the Articles of Association.

Accordingly;

a. Our Company adopts to distribute profit shares in cash and/or as free shares as minimum 50% of the net distributable period profit calculated at the year-end within the frame of Capital Market Regulation and other related regulation. The Ordinary General Assembly of the Partners may decide on a different type of distribution considering the matters such as economic conditions, investment plans and cash position.

b. Profit distribution proposals of our Board of Directors, which also includes the details projected in Corporate Governance Principles and the regulations of Capital Market Board, are announced within the legal time period through Public Disclosure Platform, our company's web site and through the activity report.

c. Cash profit shares, which will be distributed depending upon the decision of the General Assembly, are paid on the date decided in the General Assembly. The transactions regarding the profit shares that will be distributed as free shares are completed within the legal time period projected in the regulations of Capital Market Board.

d. Within the frame of profit distribution policy, the profit shares are distributed equally to all shares without considering the issue and acquisition dates of these shares.

e. In case the Board of Directors suggests to the General Assembly that the profit should not be distributed, the reasons and the information regarding the usage area of these undistributed profits are presented to the shareholders in the General Assembly meeting.

f. A balanced policy between the interests of shareholders and the interests of the company in profit distribution policy is pursued.

g. There are no preferential shares regarding receiving a share from the profit.

h. In accordance with our Articles of Association, our Board of Directors members and employees do not receive profit share with founder dividend share.

i. In accordance with the Articles of Association, the Board of Directors can distribute advance profit share, provided that being authorized by the General Assembly and complying with the Capital Market Law and regulations of Capital Market Board regarding this subject. The advance profit share distribution authority, which is granted by the General Assembly to the Board of Directors is limited to the related year.

7. Transfer of the Shares

There are not any provisions in the Articles of Association that limits the transfer of the shares.

SECTION - II PUBLIC DISCLOSURE AND TRANSPARENCY

8. Information Policy

With "Material Disclosure Communique" of CMB, the partners, whose shares are traded in the exchange market, are obliged to constitute an Information Policy for public disclosure and to disclose these information to the public through the web site of the Company.

The "Information Policy", which has been constituted within this context and approved in the Board of Directors Meeting no: 10 dated, April 02, 2012, has been announced to public under "Investor Relations" section of the Corporate Web Site of the Company and has been submitted for the information of the shareholders with a separate agenda topic in the general assembly.

The main purpose of information policy is to allow shareholders, investors, employees, customers and other related parties to reach necessary information and explanations except for trade secrets, on time, accurately, completely, perceptively, easily and with low costs and equally.

Our Company, which has an active approach regarding adaptation and implementation of corporate governance principles, also shows utmost effort to actualize the requirements of related legislation and best international practices.

The Board of Directors is authorized and responsible for tracking, monitoring and development of information policy. The managers, who are responsible for financial management and reporting, and investor affairs department have been commissioned for coordination of information function. The aforementioned responsible persons execute their responsibilities in close collaboration with Corporate Governance Committee and Board of Directors.

Names and titles of the persons, who are responsible for conducting Information Policy, are as follows

Name and Surname	Position Title	Telephone	e-mail
Cihan Sırmatel	Director of Financial Affairs	0212 350 35 92	csirmatel@sisecam.com
Ahmet Bayraktaroğlu	Accounting Manager	0212 350 36 40	abayraktar@sisecam.com
Bala Zaimoğlu	Budget and Financial Control Manager	0212 350 35 94	bzaimoglu@sisecam.com
Gül Demirhan	Budget and Financial Control Specialist	0324 241 65 95	gdemirhan@sisecam.com
Ayşe Arzu Beler	Budget and Financial Control Specialist	0212 350 36 34	abeler@sisecam.com

9. Company's Web Site and Its Contents

In order to maintain the Company's relations with its shareholders faster and more effectively and to be in continuous contact with the shareholders, Corporate Web Site is actively used as suggested by Corporate Governance Principles of CMB. The information in this web site is constantly updated under the responsibility of the Shareholders Affairs Department. The information in the Corporate Web Site of the Company have the same content with the explanations within the frame of the provisions, of the related regulation and there are not any conflicting or missing information.

In the Corporate web site of the company www.sodakrom.com.tr which is prepared in Turkish and English, the following information are provided along with the mandatory information as per the regulation: trade registry information, latest partnership and managerial structure, there are not any privileged stocks, final form of the Articles of Association along with the date and number of the trade registry gazettes, where the amendments were published, special condition disclosures, financial reports, activity reports, registration statements and public offering circulars, General Assembly documents, list of attendants and meeting minutes, ballot form by proxy, Profit Distribution Policy, Information Policy, Codes of Conduct, and the answers for frequently asked questions. Within this context, the information of minimum the last 5 years are available in the Corporate Web Site of the Company. Financial reports and activity reports on the web site, are also prepared in English for international investors.

10. Activity Report

The Activity Report of the Board of Directors is prepared in detail so that the public reach complete and accurate information about the activities of the Company. Annual Activity Report for 2013 Accounting Period has been prepared based on third clause of article 516 of Turkish Trade Act and article 518, and in accordance with minimum contents specified in article 8 of "Communique of Principles Regarding Financial Reporting in Capital Market" of Capital Market Board and the provisions of "Regulation Regarding Determination of Minimum Contents of Annual Activity Reports of the Companies" by the Ministry of Customs and Trade and has been independently audited.

SECTION III - STAKEHOLDERS

11. Informing the Stakeholders

The stakeholders are the persons, institutions and interest groups, such as employees, creditors, customers, suppliers, unions, various non-governmental organizations, which are related to the activities or the targets of the Company. The company protects the rights of the stakeholders in transactions and activities, which are regulated with legislation and mutual agreements. In cases, where the rights of the stakeholders are not protected by the regulation and mutual agreements, the interests of the stakeholders are protected within the frame of good will and within the opportunities of the Company.

The stakeholders are informed about the Company policies and procedures. The stakeholders may inform Supervisory Committee about the unethical transactions and the transactions against the regulation of the Company. When there are conflicts of interest among the stakeholders or if one stakeholder is involved in more than one interest group, a policy, as balanced as possible, is followed and each right is tried to be protected independently in order to protect all rights.

12. Participation of the Stakeholders to the Administration

The participation of the stakeholders, especially of the employees, to the administration of the company is supported provided that the activities of the company should not be hindered, and the decisions of the stakeholders are taken for the important decisions for the stakeholders. The employees are provided with communication opportunities in broadly-participated platforms. In addition, the ideas are mutually exchanged in detail in dealer meetings of our Company and the ideas put forth in these meetings are evaluated by the administration and utmost care is shown to customer satisfaction.

13. Human Resources Policy

The "Human Resources Policy" of the Company is put in writing by the parent company, and the regulations and procedures, which are prepared within this scope, are submitted for the information of the employees through the portal, which is accessible by the employees.

Within the scope of Human Resources Systems of the Company, the following principles have been constituted: recruitment, working conditions, rating systems, wage management, monetary and social rights, performance evaluation, career management, recognition/appreciation, suggestion development and the termination method and principles of labor contract. The relations with the employees are conducted under the responsibility of Human Resources Directorate of the Company.

The standards regarding personnel employment are specified in written in Human Resources Systems of the Company and these standards are followed.

While creating recruitment policies and planning careers, the principle of providing equal opportunities to the people under equal conditions has been adopted. No complaints were made to the managers of the Company regarding discrimination within this period.

The employees are treated equally and training programs are carried out in order to increase knowledge, skills and manners of the employees. The meetings are organized with the employees about the financial status of the company, wages, career, training and health.

The decisions about the employees or the developments regarding the employees are announced to the employees or their representatives. The opinions of the unions are taken for these types of decisions.

The job descriptions and distribution and performance and incentive criteria are announced to the employees and productivity is considered while determining the wages and other benefits of the employees.

The employees are not discriminated in terms of their races, religious views, language and gender and special precautions are taken in order to prevent physical, mental and emotional mistreatment.

14. Codes of Conduct and Social Responsibility

14.1 Social Responsibility

Being a company, which is aware of its responsibilities against the laws and environmental values, our Company believes in the necessity of leaving a habitable world to the next generations. Our company considers this approach, which is perceived as one of the main factors of strategic management, at each step of its activities. Our purpose is to conduct environmental protection works in our Company with the environmental management system approach and provide continuous optimization with the support of our employees.

For this purpose, environmental-friendly production techniques are prioritized, and the company lays too much emphasis on solutions for efficient energy use, evaluating fuel and raw material alternatives, savings on natural resources, waste recovery and prevention of pollution.

Responsible Care works, which are conducted as a voluntary application in global chemistry industry, have continued in 2013, as well.

14.2 Codes of Conduct

"Şişecam Group Code of Conduct", which has been regulated within the frame of honesty, transparency, confidentiality, objectivity and in compliance with the laws with the Board Decision no: 49 in 20.07.2010, has been put into effect and guideline regulations that will direct the relations of all Group employees with the customers, suppliers, shareholders and other stakeholders are actualized. The aforementioned rules have been updated as per needs of the period with Board decision no: 33 in 28.03.2013.

The general concept of the Codes of Conduct, which were also disclosed to the public under "Investor Affairs" section of the Corporate Web Site of the Parent Company (www.sisecam.com.tr), is as follows.

14.2.1 General Principles

- In Şişecam Group, integrity and honesty are the key words in the relations with the employees, customers, suppliers, shareholders and all stakeholders.
- Şişecam Group is open and transparent to all of its stakeholders.
- In Şişecam Group, the stakeholders are not discriminated for their religious views, language, race, gender, medical condition, marital status and political views. Everyone is treated equally, biased behaviors are frowned upon.
- In Şişecam Group, the confidential information of the employees, customers and suppliers are protected with utmost care, these information are not shared with third parties.
- Şişecam Group conducts all of its activities in accordance with the laws. The Group closely follows the laws and regulations, takes necessary precautions for compliance with the laws.

14.2.2 Responsibilities

Top level Board of Directors and Supervisory Committee are responsible for effective implementation of the Codes of Conduct of Şişecam Group. All employees are obliged to behave in accordance with the Codes of Conduct.

14.2.3 Applications

- In Şişecam Group, resources of the Group are used effectively and productively and this savings principle is always considered in all activities. The employees of the Group use Group's resources only for the benefit of the Group and protect them.
- In Şişecam Group, utmost care is shown to protect all kinds of confidential information that is closed to the public. The regulation and procedures regarding the security of the confidential information of the Group are applied precisely and the necessary precautions are taken to keep, archive and protect the information.
- The employees of Şişecam Group protect the interests of the Group within the frame of in-group and legal regulations and they keep away from conflict of interests.
- In Şişecam Group, the overpriced gifts that may be given by other institutions, customers or suppliers are not accepted. The monetary limits of this type of gifts are determined in monetary terms within the codes of conduct. However, the symbolic gifts, such as plaques or plates that are given in meetings or seminars can be accepted.
- In case Şişecam Group employees must inevitably enter into business relations with their family members, close relatives and friends, it is not allowed to create conflict of interests.
- In Şişecam Group, respect, equality, kindness and rules of justice are considered in the relations with customers and suppliers and ethical rules are followed. Deceptive and fallacious behaviors are avoided in relations with customers and consumers.
- In Şişecam Group, which holds on to honesty and truthfulness principles in competition, the competition rules and laws are strictly followed in other countries.
- Şişecam Group is always transparent and open in its relations with public institutions. All kinds of information and documents, which are required by the public institutions, are provided accurately, completely and on time; deceptive and fallacious behaviors are strictly prohibited before public institutions.

14.2.4 Compliance with Codes of Conduct of Şişecam Group

The employees of the Group show utmost care regarding compliance with Şişecam Group's Codes of Conduct. By using communication channels effectively, it is monitored that Codes of Conduct are strictly followed in the activities of the Group.

SECTION IV – BOARD OF DIRECTORS

15. Structure and Constitution of the Board of Directors

The Board of Directors is determined to allow its members to make productive and constructive works, to take quick and rational decisions and to effectively organize the operations and constitution of the committees.

There are members in Board of Directors, who are in charge of execution and who are not. The Board of Directors member, who is not in charge of execution, is a person, who does not have any other administrative duty in the Company and who does not involve in daily work flow and ordinary activities of the Company. The majority of the Board of Directors Members are not in charge of execution. Chairman of Chemicals Group Sabahattin Günceler and Director of Financial Affairs Cihan Sırmatel are in the Board of Directors as Executors. The Board Chairman and the General Manager is not the same person.

In accordance with the Articles of Association, the works of the Company are conducted by an Board of Directors of at least 5 (five) members by the general assembly of partners in accordance with the regulations of Capital Market Board and the provisions of Turkish Trade Act. The Articles of Association has been amended in the Ordinary General Assembly Meeting held in Thursday, May 24, 2012 and two independent members have been elected in the Board of Directors in accordance with the criteria suggested in Corporate Governance Principles of Capital Market Board.

Independent members have been determined in accordance with the processes prescribed in corporate governance principles in, April 06, 2012 and submitted to the Board of Directors on the same day. The independent members and dependent Board of Directors members, who were determined in the Board of Directors meeting held in April 10, 2012, were elected for 3 years in Ordinary General Assembly Meeting held in May 24, 2012 for 2011. The backgrounds of Board of Directors Members are given in related section of our activity report and in corporate web site of our Company, and there were not any situations that rule out the independences of independent members in this period and the statements of independent members regarding this matter are given below.

STATEMENT OF INDEPENDENCE

SODA SANAYİİ A.Ş.

To the Board of Directors

As Board of Directors member of Soda Sanayii A.Ş., I herewith declare that I still bear the "Independent Board of Directors Membership" conditions, which are determined by Communiques, Principle Decisions and similar regulations of Capital Market Law and Capital Market Board and by the Articles of Association of your Company; that I will inform the Board of Directors and Capital Market Board simultaneously through Public Disclosure Platform immediately, in case there are any situations that rule out aforementioned independence together with its reasons, and that I will comply with the provisions prescribed in article 4.3.8 of Corporate Governance Principles by acting in line with the decision of your Board of Directors.

Best Regards,

Prof. Dr. Halil Ercüment Erdem

February 28, 2014

STATEMENT OF INDEPENDENCE

To Board of Directors Presidency of SODA SANAYİİ A.Ş.

As Board of Directors member of Soda Sanayii A.Ş., I herewith declare that I still bear the “Independent Board of Directors Membership” conditions, which are determined by Communiques, Principle Decisions and similar regulations of Capital Market Law and Capital Market Board and by the Articles of Association of your Company; that I will inform the Board of Directors and Capital Market Board simultaneously through Public Disclosure Platform immediately, in case there are any situations that rule out aforementioned independence together with its reasons, and that I will comply with the provisions prescribed in article 4.3.8 of Corporate Governance Principles by acting in line with the decision of your Board of Directors.

Best Regards,

Üzeyir Baysal

February 28, 2014

Following the General Assembly Meetings, where the Board of Directors Members were elected by means of making a decision regarding the division of tasks, the Chairman and Vice Chairman of the Board of Directors are elected. In the current Board of Directors of the Company, there are 2 executor and 4 non-executor members, whose names are given below.

The approval of the General Assembly is granted within the scope of articles 395 and 396 of Turkish Trade Act if the Chairman and Members of the Board perform the activities of the Company in person or on behalf of other persons and regarding their partnership with the companies that perform same kind of works.

The Board of Directors Members can express their opinions without being influenced by all kinds of matters. In accordance with the Governance Principles, Zeynep Hansu Uçar is the female member in Board of Directors of the Company.

The Board of Directors administers and represents the company by looking out for the long-term interests of the Company with rational and cautious risk management by keeping risk, growth and gaining balance at optimum level with its strategic decisions.

The Board defines strategic goals of the Company, determines the labor and financial resources needed, inspects the performance of the management, and the conformity of the activities of the company to the articles of association, internal regulations and policies.

The Company has affiliates and subsidiaries. The company believes that it will be beneficial for the Group if the Board of Directors Members of the Company take place in the management of these companies and thus, did not limit their assignments in these companies and the external duties of Board of Directors members are given below.

		External Duties	
Name Surname	Position	Internal	External
Sabahattin Günceler (*)	Board Chairman	Cam Elyaf Sanayii A.Ş., Camiş Madencilik A.Ş., Madencilik Sanayii ve Ticaret A.Ş., Oxyvit Kimya Sanayii ve Ticaret A.Ş., Dost Gaz Depolama A.Ş., Cromital S.p.A., Şişecam Shanghai Trading CO. Ltd., Camiş Elektrik Üretim A.Ş., Şişecam Soda Lukavac d.o.o., Asmaş Ağır Sanayi Makinaları A.Ş. Board Chairman. Solvay Şişecam Holding A.G. Vice Chairman of the Board. Solvay Lodi A.D. Board Member.	None
Soner Benli	Vice Chairman of the Board	None	Tibaş Individual Loans Allocation Department Manager
Cihan Sırmatel	Member. Corporate Governance Committee Member	Madencilik Sanayii ve Ticaret A.Ş. Vice Chairman of the Board. Cam Elyaf Sanayii A.Ş., Camiş Madencilik A.Ş., Dost Gaz Depolama A.Ş., Camiş Elektrik Üretim A.Ş., Asmaş Ağır Sanayi Makinaları A.Ş., Şişecam Soda Lukavac d.o.o. Board Member.	None
Zeynep Hansu Uçar	Member. Corporate Governance Committee Member. Early Detection of Risk Committee Member	T.Şişe ve Cam Fab.A.Ş., Anadolu Cam Yenişehir San.A.Ş., Anadolu Cam San.A.Ş., Trakya Cam San. A.Ş., Trakya Yenişehir Cam San.A.Ş., Trakya Polatlı Cam San. A.Ş., Camiş Madencilik A.Ş., Cam Elyaf San.A.Ş., Anadolu Cam Eskişehir San. AŞ., Asmaş Ağır San. Mak. A.Ş., Çayırova Cam San. A.Ş., P.Bahçe Cam San. A.Ş., P.Bahçe Mağ.A.Ş. Board Member. T.Şişe ve Cam Fab.A.Ş., Anadolu Cam San.A.Ş., Trakya Cam San. A.Ş. Corporate Governance Committee and Early Detection of Risk Committee Member.	Tibaş Affiliates Department Manager, Kültür Yay.İş Türk A.Ş., Camiş Yatırım Holding A.Ş., AVEA İletişim Hiz. AŞ., İş Factoring A.Ş., İş Finansal Kiralama A.Ş. Board Member
Halil Ercüment Erdem	Independent Member. Auditing Committee Member. Chairman of Corporate Governance Committee Early Detection of Risk Committee Member.	Anadolu Cam Sanayii A.Ş. Independent Board Member. Anadolu Cam Sanayii A.Ş. Chairman of Audit Committee, Corporate Governance Committee and Early Risk Detection Committee.	Erdem-Erdem Ortak Law Office and Erdem-Erdem Danışmanlık A.Ş. Co-founder Galatasaray Universty Academic Member CMA-CGM and Yılport Holding A.Ş. Independent Board Member
Üzeyir Baysal	Independent Member. Chairman of Auditing Committee. Corporate Governance Committee Member. Chairman of Early Detection of Risk Committee.	Denizli Cam Sanayii ve Tic. A.Ş. Independent Board Member. Denizli Cam Sanayii ve Tic. A.Ş. Chairman of Audit Committee, Corporate Governance Committee and Early Risk Detection Committee.	Selçuk Ecza Deposu A.Ş., Şekerbank T.A.Ş. Board Member

(*) Tahsin Burhan Ergene has been elected as Board Member instead of Sabahattin Günceler in January 2, 2014.

16. Activity Procedures of the Board of Directors

The Board elects a Chairman and a Vice Chairman following each General Assembly. However, if the Chairman and/or the Vice Chairman resign from his/her duty for any reason, the Board of Directors makes a new election for the vacant positions. When the Chairman is not available, the Vice Chairman moderates the Board of Directors. If the Vice Chairman is also not available, a temporary chairman, who will be elected by the members among themselves, will moderate the meeting. Meeting date and agenda of the Board of Directors are determined by the Chairman. If the Chairman is not available, the Vice Chairman determines date and agenda of the Board of Directors. However, the meeting date may also be determined by the decision of the Board of Directors. The Board of Directors meets as required by the business and transactions of the company. However, it is mandatory for them to meet at least once a month.

The number of decisions taken by the Board within this period is 45 and the decisions were taken unanimously. There were not any objections by the members regarding the decisions taken. Turkish Trade Act, Capital Market Law and the meeting and decision quorums in related legislation are considered by the Board while making decisions.

The information and documents regarding the subjects in the agenda of the Board meeting are submitted for the review of the Board Members prior to the meeting to provide equal information flow. Prior to the meeting, the Board Members may suggest a change in the agenda to the Chairman of the Board. The opinions of the member, who could not attend the meeting but submits his/her opinions in written, are submitted to the information of the other members. Each member has one voting right in the Board.

Secretariat duty of the Board is performed by the Company personnel without any problems, who are assigned in accordance with the procedures in Corporate Governance Principles.

In Board Meetings, the subjects on the agenda are discussed clearly and in all aspects. Chairman of the Board does his/her best in order to ensure active participation of the non-executor members in the Board meetings. Rational and detailed reasons of the negative votes regarding the subjects, where the Board Members dissented, are recorded to the decision record. Detailed reasons of the negative voters are disclosed to the public. However, since there were not any objections or negative votes in the Board Meetings in 2013, no public disclosures were made.

The Board Meetings are held in the head office of the Company and important Board Decisions are disclosed to the public through KAP and the disclosed text is published in the Corporate Web Site of the Company.

Authorities and responsibilities of the Board Members are clearly explained in the Articles of Association. The authorities are explained in more detail in the signatory circular of the Company. These documents are registered and declared as suggested by the laws. The Board of Directors plays a major role in ensuring effective communication between the Company and the shareholders, in settlement of disputes and in reaching a solution and for this purpose, the Board of Directors is in close collaboration with the Shareholders Affairs Department.

All related party transactions and transaction essentials in 2013 are collectively submitted to the Board. There were no related party transactions or important transactions, which had to be submitted to the approval of General Assembly, due to disapproval of independent members in 2013.

A “Manager Responsibility Insurance” has been made for compensation of damages to the company and the third persons that occur due to negligences of the managers.

17. The Number, Structure and Independence of the Committees Constituted in the Board

For effective duty and responsibility performance of the Board of Directors, the “Audit Committee”, “Corporate Governance Committee” and “Early Risk Determination Committee” have been constituted in accordance with the Corporate Governance Principles and disclosed to the public. The assigned positions, working principles and members of these committees were determined in the Board Meeting held in May 24, 2012 and disclosed to the public on the same day.

The following decisions have been made in the Board of Directors meeting held in, May 24, 2012;

- Independent Board member Üzeyir Baysal has been elected as the Chairman of Audit Committee, Independent member Halil Ercüment Erdem has been elected as member,
- Independent Board member Halil Ercüment Erdem has been elected as the Chairman of Corporate Governance Committee, Independent Board members Üzeyir Baysal, Zeynep Hansu Uçar and Cihan Sırmatel has been elected as members,
- Independent Board Member Üzeyir Baysal has been elected as the Chairman of Early Detection of Risk Committee, independent members Halil Ercüment Erdem and Zeynep Hansu Uçar have been elected as members.

Since each of the Members of Audit Committee and the chairmen of the other committees are suggested to be independent members by the Corporate Governance Principles, and since there are two independent members in the Board of Directors, it became mandatory for a Board Member to take charge in more than one committee.

Corporate Governance Committee, Audit Committee and Early Risk Determination Committee perform their activities regularly in accordance with the procedures suggested in Capital Market Regulation and Corporate Governance Principles. Corporate Governance Committee has gathered in December 2013 and the Committee members attended to this meeting. In Corporate Governance Committee meeting, the activities of Shareholders Affairs Department and Investors Affairs Department, works of committees within the body of Board of Directors and the progress regarding compliance with corporate governance have been discussed and the Board of Directors has been informed. Audit Committee has gathered two times in February, and once in May, August and November in 2013 and the Committee members have attended to these meetings. The topics regarding internal audits conducted in Audit Committee meetings and regarding independent audit process have been discussed in Audit Committee meetings and the Board of Directors has been informed. Early Detection of Risk Committee has gathered once in February, May, August and November and the Committee members have attended to this meeting. The topics regarding risk management activities, risk reports and revision of codes of conduct have been discussed in Early Risk Detection Committee meetings and the Board of Directors has been informed.

The Board of Directors is constituted by considering the internal control systems and the opinions of the related committees including the risk management and information systems and processes, which may minimize the effects of the risks that may affect the stakeholders of the Company, especially the shareholders. The Board of Directors reviews the effectiveness of the internal control systems and risk management systems at least once a year. Information is provided in the activity report regarding the internal controls, the existence, operation and efficiency of the internal audits.

18. Risk Management and Internal Control Mechanism

Our company, which operates in a competitive environment both in national and international markets, applies effective risk management and internal audit processes to ensure sufficient risk assurance for the stakeholders.

Apart from the uncertainty created by global crisis that has been going on since 2008, fierce competition, increasing customer expectations, stricter legal regulations and the developments in corporate governance caused all stakeholders to require more risk assurance, and as a result of this, the companies are now questioning the competency of risk management and internal audit processes.

Our company continuously performs this questioning process and handles current and potential risks proactively and maintains its auditing activities with risk-oriented method.

Results of planned and regular meetings of “Early Detection of Risk Committee”, “Audit Committee” and “Corporate Governance Committee”, which have been constituted within the body of our company, are reported to the Board of Directors in accordance with the legislation.

During the operations that are made to institute a corporate structure, to give assurance to the stakeholders, to protect tangible and intangible assets of the company, to minimize losses resulting from uncertainties, and to make the best out of potential opportunities, the communication between internal audit and risk management function is maintained at the top level and it is aimed to support decision making process and to increase efficiency of management.

Risk Management in Our Company

Risk management activities in our Company are handled in a holistic and proactive approach and they are maintained based on corporate risk management applications. The risks encountered based on countries and/or business fields are integrated into risk processes before they are encountered in other countries and business fields, the interaction of risks are monitored and decision support processes are assisted and the resources are efficiently and productively utilized.

Operation field-based risk catalogs are periodically updated with contribution of the employees of the Company and the risks are ranked as per their importance. Regarding the analyzed risks, the strategies are determined and necessary precautions are taken by considering risk appetite of the Board of Directors. These operations are not limited 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 in Our Company

Internal audit activities in Şişecam Group are structured within the body of the Parent Company. The purpose of Internal Audit operations in our Company, which have been maintained by the Parent Company for many years, is to make sure that the affiliate companies of the Group grow sturdily, to help ensuring unity and solidarity in applications, and to ensure that the activities are conducted in accordance with internal and external legislation and that the corrective actions are performed on time. In line with the aforementioned purpose, continuous audits are performed in all national and international subsidiaries of Şişecam Group. The internal audit operations are conducted within the scope of periodical audit programs that are approved by the Board of Directors of the Parent Company. While creating the audit programs, the results from risk management activities are also utilized, i.e., "risk-oriented auditing" applications are actualized.

19. Strategic Objectives of the Company

The process of creating strategic objectives and updating these strategic objectives by reviewing starts with the clarity of the Vision text by the Board of Directors of Şişecam. Şişecam Board of Directors has determined the point that it wishes to reach with Chemicals Group in 2020 as follows: "Chemicals Group is a Group, which is ranked among the leading companies in basic competencies, which evaluates new opportunities that will create synergy with its existing activities, and which offers global solutions for its customers with environmental friendly technologies". The vision of Soda Sanayii A.Ş., which operates under the Chemicals Group, is as follows: "Soda Sanayii, which is ranked among the leading soda providers in the world, aims to strengthen its position in soda sector; it also aims to maintain its leading position in all product groups in chromium chemicals".

In the second phase, a series of analysis are performed to understand the conditions, under which the company will operate to fulfill its vision. The analysis for the in-house audits are called Internal Analysis; the analysis for the market, competitors, input and output sectors, different geographies, consumers and suppliers are called External Analysis. In the phase following the analysis, Strategic Maps are created and/or updated. Strategic Map determines the subjects to be focused on by the Soda San. A.Ş. in Finance, Customers, Processes and Intangible Assets and become perfect in which differentiating (strategic) factors. Strategic Map is diversified based on business fields. Thus, the route map of the activities are created. Each strategy, defined in the map, is associated with a performance indicator, the level of success, which this indicator is desired to be reached, required projects for this activity and an organizational structure.

Corporate Performance Program is utilized to measure and monitor the implementation success of the strategy. The program enables performance evaluation with monitoring meetings within the period. In order to degrade the performance from corporate level to employee-level, Individual Performance Management System is associated with the Strategic Plan.

20. Financial Rights

All kinds of rights, benefits and wages are determined by the General Assembly annually as it is specified in the Articles of Association. In the Ordinary General Assembly Meeting for 2012, which was held in April 10, 2013, the monthly salaries of the Board of Directors members are determined and disclosed to the public.

The salary principles for the top management and the Board of Directors Members are written and submitted to the information of the shareholders as a separate agenda item on Ordinary General Assembly meeting in April 10, 2013 and published in the Corporate Web Site of the Company.

Top Managers of the Company do not receive any payments, which can technically be considered as premium, and which are directly indexed to endorsement, profitability and other main indicators. To the Top Managers of the Company, such as salaries, premiums and social support, a payment named jest premium is made once a year by considering the indicators, such as inflation, general salary and Company's profitability increase, and which is determined by considering criteria, such as the activity volume of the Company, the quality of the activities and risk level of the Company, the size of the structure and the sector. In addition, an official car is allocated for the Top Managers. Within this context, the total payments made to the board members and top managers within the frame of wage policy, are disclosed to the public in our financial statement footnotes.

Debts and credits are not given to Board of Directors members, they also cannot receive loans through a third person under the name of personal loan or they are not given securities such as guarantees.

SODA SANAYİİ A.Ş.

2013 AGENDA OF ORDINARY GENERAL ASSEMBLY OF PARTNERS

1. Granting the Chairmanship Council the power to sign the minutes of the General Meeting,

2. Reading the Board of Directors Activity Report and the summary of Independent Auditor Report on the activities that have been performed by our Company in the year 2013,

3. Review, and Discussion and Approval of 2013 Balance Sheet and Income Statement Accounts,

4. Approval of the Election made for the vacant position of resigned Board Member,

5. Acquittal of the Board Members,

6. Determination of the Wages of Board Members,

7. Granting permissions to the Board Members as per the Articles 395 and 396 of the Turkish Commercial Code,

8. Making a Decision Regarding Date and Method of Profit Distribution for 2013,

9. In line with the permissions received from Capital Market Board, Energy Market Regulatory Board and T.R. Ministry of Customs and Trade, the decision is taken Regarding the Amendment of Articles of Association as Specified in Attached Amendment Draft,

10. Making a Decision Regarding the Election of Independent Audit Institution In Accordance With Regulations of Turkish Commercial Code and Capital Market Board,

11. Approval of “Donation Policy”, which is Prepared In Accordance With the Regulations of Capital Market Board,

12. Informing the Partners Regarding the Donations Made within the Year and Determination of the Limits of the Donations to be made in 2014,

13. Informing the Partners Regarding the Pledges, Securities and Mortgages Granted to the Third Parties.

Soda Sanayii A.Ş. Amendment Draft of Articles of Association

Old Text	New Text
PURPOSE AND SUBJECT:	**PURPOSE AND SUBJECT:**
Article 3	**Article 3**
The Purpose and Scope of the Company are as follows.	The Purpose and Scope of the Company are as follows.
a) The Company is entitled to produce Sodium Carbonate, Sodium Bicarbonate and other soda chemicals; bichromate, chromic acid, basic chromium sulphate and other chromium chemicals and all kinds of chemicals and to establish factories for production of other products and, to participate in such factories and to manufacture heavy machinery.	a) The Company is entitled to produce Sodium Carbonate, Sodium Bicarbonate and other soda chemicals; bichromate, chromic acid, basic chromium sulphate and other chromium chemicals and all kinds of chemicals and to establish factories for production of other products and, to participate in such factories and to manufacture heavy machinery.
b) The Company is entitled to prospect salts, limestone, and other natural raw material resources required for production of soda-chromium chemicals and entitled to establish facilities to mine these and to operate such facilities.	b) The Company is entitled to prospect salts, limestone, and other natural raw material resources required for production of soda-chromium chemicals and entitled to establish facilities to mine these and to operate such facilities.
c) The Company is entitled to establish, operate and participate in auxiliary and complementary industries that are in anyway related to the Soda Industry.	c) The Company is entitled to establish, operate and participate in auxiliary and complementary industries that are in anyway related to the Soda Industry.
d) The Company is entitled to carry out any researches and establish and operate any facilities required for development and improvement of the industry concerning soda-chromium chemicals and, is entitled to participate in these.	d) The Company is entitled to carry out any researches and establish and operate any facilities required for development and improvement of the industry concerning soda-chromium chemicals and, is entitled to participate in these.
e) The Company is entitled to perform all kinds of auxiliary and complementary activities that are, in anyway, related to the Soda Industry and the sales of products.	e) The Company is entitled to perform all kinds of auxiliary and complementary activities that are, in anyway, related to the Soda Industry and the sales of products.
f) In relation to its fields of activities; the Company is, by way of direct registrations or purchasing, entitled to acquire patents, marks, designs, letters patent, mastership, know-how and other industrial property rights thereof and; the Company may, under license contracts, allow third parties to exercise these rights held by the Company and transfer and assign these rights to third parties and; the Company may, under license or know-how contracts, exercise such rights held by third parties.	f) In relation to its fields of activities; the Company is, by way of direct registrations or purchasing, entitled to acquire patents, marks, designs, letters patent, mastership, know-how and other industrial property rights thereof and; the Company may, under license contracts, allow third parties to exercise these rights held by the Company and transfer and assign these rights to third parties and; the Company may, under license or know-how contracts, exercise such rights held by third parties.
g) In relation to its scope; the Company is entitled to perform all kinds of commercial, financial, industrial and contracting activities; is entitled to acquire share certificates and bonds of other companies dealing with these activities, provided that they are not in the nature of an intermediary activity and portfolio management and; is entitled to establish such companies or purchase factories and; the Company is, for an increase in the sales of products, entitled to establish companies or transfer its sales rights and powers to existing companies and; is entitled to borrow all kinds of loans from native and foreign entities and banks.	g) In relation to its scope; the Company is entitled to perform all kinds of commercial, financial, industrial and contracting activities; is entitled to acquire share certificates and bonds of other companies dealing with these activities, provided that they are not in the nature of an intermediary activity and portfolio management and; is entitled to establish such companies or purchase factories and; the Company is, for an increase in the sales of products, entitled to establish companies or transfer its sales rights and powers to existing companies and; is entitled to borrow all kinds of loans from native and foreign entities and banks.

h) In relation to its scope; the Company is entitled to perform all kinds of sales, importation and exportation activities and, the Company is, for these purposes, entitled to open agencies, representation offices, branches, stores, warehouses, display/exhibition places and similar ones in the country and abroad and establish organizations and perform marketing activities. ı) Provided that the legislation provisions of the Capital Markets Legislation concerning transfer of hidden profits (profit shifting) are reserved; the Company is entitled to become a partner with native and/or foreign companies that have been and will be established in Turkey and/or abroad. The Company is, provided that they are not in the nature of investment services and activities, entitled to purchase and sell share certificates, sell its share certificates (or shares) or other securities and, transfer them to third parties, pledge them in favor of third parties and secure them with a pledge. i) In order to achieve its purposes; the Company is entitled to purchase, sell, rent out and operate all kinds of movable and immovable properties, goods and vehicles/tools and, is entitled to pledge and mortgage movable and immovable properties of the Company and, is entitled to take in pledges and obtain mortgages in favor of the Company and; is entitled to cancel them when necessary and; is entitled to acquire all kinds of limited property rights on immovable properties and, is entitled to perform any transactions relevant to them and; is entitled to obtain and provide mortgages and, is entitled to perform all transactions and activities relevant to amalgamation, subdivision, renunciation, establishment of easements and similar transactions and activities pertaining to immovable properties. j) The Company is entitled to go bail for establishment, capital increase, bank loans and issuance of bonds-financing bonds and for other debts of any trading companies where the Company has directly or indirectly participated in their capitals and/or management. With respect to the matters where the Company goes bail, provides guarantees or establishes a right to pledge (including mortgage) on its own behalf and in favor of third parties; the principles, which have been determined within the framework of the legislation on capital markets, shall be complied with. k) The Company is entitled to engage in establishment, commissioning and renting of plants for generation of electrical energy and; is entitled to engage in generation of electrical energy as well as sales of generated electrical energy and/or capacity, hot water, steam, Demin. water, heat and other byproducts. In order to achieve these purposes and in compliance with the legislation on the electricity market; the Company will perform activities with respect to the following matters: 1) In order to generate electrical energy; to establish, take into operation of, take over, rent and rent out all kinds of plants and facilities, 2) By way of bilateral agreements; to sell generated electrical energy and/or capacity to wholesale license holder legal persons, retail sale license holder legal persons and free consumers,	h) In relation to its scope; the Company is entitled to perform all kinds of sales, importation and exportation activities and, the Company is, for these purposes, entitled to open agencies, representation offices, branches, stores, warehouses, display/exhibition places and similar ones in the country and abroad and establish organizations and perform marketing activities. ı) Provided that the legislation provisions of the Capital Markets Legislation concerning transfer of hidden profits (profit shifting) are reserved; the Company is entitled to become a partner with native and/or foreign companies that have been and will be established in Turkey and/or abroad. 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With respect to the matters where the Company goes bail, provides guarantees or establishes a right to pledge (including mortgage) on its own behalf and in favor of third parties; the principles, which have been determined within the framework of the legislation on capital markets, shall be complied with. k) The Company is entitled to engage in establishment, commissioning and renting of plants for generation of electrical energy and; is entitled to engage in generation of electrical energy as well as sales of generated electrical energy and/or capacity, hot water, steam, Demin. water, heat and other byproducts. In order to achieve these purposes and in compliance with the legislation on the electricity market; the Company will perform activities with respect to the following matters: 1) In order to generate electrical energy; to establish, take into operation of, take over, rent and rent out all kinds of plants and facilities, 2) By way of bilateral agreements; to sell generated electrical energy and/or capacity to wholesale license holder legal persons, retail sale license holder legal persons and free consumers,

3) Without creating a control; to enter into participation/ affiliation relations with distribution companies which have been or will be established, 4) To enter into participation/affiliation relations with electrical energy generation companies which have been or will be established. Furthermore, in order to achieve the matters relevant to its purposes and scope; the Company is entitled to engage also in the following activities, provided that they are limited to the activities of the Company; l) In relation to its fields of activities; to rent, purchase and sell machinery and equipment from third parties in the country and abroad, m) In relation to its fields of activities; to rent, purchase, sell and operate facilities/plants, n) In order to get money for its own requirements; to obtain long, medium and short term loans from native and foreign companies and banks and, to become a joint debtor and several guarantor or to become only a guarantor, o) In relation to its fields of activities; to enter into agreements with native and/or foreign companies and participate in tenders organized in the country and abroad and, to make commitments, ö) To ensure managements and technical organizations of companies which are existing or will be established, in which it has affiliated and participated as a co-founder, p) In relation to its fields of activities; to establish foreign capital companies, ordinary partnerships and business partnerships/joint ventures with native and foreign unlimited companies, trading companies/corporations, ordinary companies and real persons and; to participate in partnerships that have been established and; to acquire and sell their share certificates and bonds, provided that the Company does not perform any relevant intermediary activities r) To make trade and industrial investments included in its fields of activities, s) On the condition that they shall not be contrary to the arrangements provided by the Capital Markets Board in relation to transfer of hidden profits and that, the required material disclosures shall be released and that, the donations, which have been granted within the relevant year, shall be submitted for information of the partners at the General Assemblies; and in such a way that shall not hinder its own purposes and scope; the Company is, within the determined principles, entitled to provide aids and grant donations to social-purpose foundations, associations, universities and similar organizations.	3) Without creating a control; to enter into participation/ affiliation relations with distribution companies which have been or will be established, 4) To enter into participation/affiliation relations with electrical energy generation companies which have been or will be established. Furthermore, in order to achieve the matters relevant to its purposes and scope; the Company is entitled to engage also in the following activities, provided that they are limited to the activities of the Company; l) In relation to its fields of activities; to rent, purchase and sell machinery and equipment from third parties in the country and abroad, m) In relation to its fields of activities; to rent, purchase, sell and operate facilities/plants, n) In order to get money for its own requirements; to obtain long, medium and short term loans from native and foreign companies and banks and, to become a joint debtor and several guarantor or to become only a guarantor, o) In relation to its fields of activities; to enter into agreements with native and/or foreign companies and participate in tenders organized in the country and abroad and, to make commitments, ö) To ensure managements and technical organizations of companies which are existing or will be established, in which it has affiliated and participated as a co-founder, p) In relation to its fields of activities; to establish foreign capital companies, ordinary partnerships and business partnerships/joint ventures with native and foreign unlimited companies, trading companies/corporations, ordinary companies and real persons and; to participate in partnerships that have been established and; to acquire and sell their share certificates and bonds, provided that the Company does not perform any relevant intermediary activities r) To make trade and industrial investments included in its fields of activities, s) On the condition that they shall not be contrary to the arrangements provided by the Capital Markets Board in relation to transfer of hidden profits and that, the required material disclosures shall be released and that, the donations, which have been granted within the relevant year, shall be submitted for information of the partners at the General Assemblies; and in such a way that shall not hinder its own purposes and scope; the Company is, within the determined principles, entitled to provide aids and grant donations to social-purpose foundations, associations, universities and similar organizations. **ş) In addition to production activities of our Company, to store waste products, which are the outgrowth of the process, in places, which are prepared in accordance with the environment legislation and received required permissions, and to close the area in accordance with the environment legislation when the regular storage is over in the area.**

WITHIN THE SCOPE OF CAPITAL INCREASE, AMENDMENTS IN ARTICLES OF ASSOCIATION AND PROFIT DISTRIBUTIONS WITHIN THE PERIOD

The regulations of Capital Market Board regarding registered capital system, regarding increasing 500.000.000 TL of registered capital ceiling up to 1.000.000.000 TL, amendments in article 20 of Articles of Association regarding General Assembly, in accordance with article 6 of Articles of Association regarding Capital and in accordance with the provisions of "Regulation Regarding General Assemblies to be Made in Electronic Environment in Corporations" of T.R. Ministry of Customs and Trade, following the permissions received from Capital Market Board, Energy Market Regulatory Board and T.R. Ministry of Customs and Trade, it has been registered in January 22, 2013 and registered in January 24, 2013 with the approval of Extraordinary General Assembly of Partners.

Amendments in Articles of Association, which have been prepared within the scope of harmonization studies for new Capital Market Law no: 6362 and new Turkish Trade Act no: 6102, have been approved following the permissions received from Capital Market Board, Energy Market Regulatory Board and T.R. Ministry of Customs and Trade by Ordinary General Assembly of Partners in April 10, 2013 and registered in April 17, 2013.

32.000.000 TL of 64.000.000 TL of dividend amount from the profit of 2012, which has been decided to be distributed to the partners in Ordinary General Assembly Meeting of Partners held in April 10, 2013, has been distributed to the partners in cash in May 31, 2013, remaining 32.000.000 TL has been added to the capital in June 28, 2013 and distributed to the partners as free shares. As a result of the capital increase, the issued capital of the company has been increased to 457.000.000 TL.

OTHER ISSUES

Conclusion part of "Affiliation Report", which has been prepared in accordance with article 199 of Turkish Trade Act:

In 2013, our company has taken action in accordance with legislation provisions regarding hidden income distribution through transfer pricing in all transactions performed by our parent company and with its subsidiaries and there were not any circumstances that require offsetting in 2013 due to the transactions explained in Affiliation Report.

Legal Reference of Annual Activity Report:

Annual Activity Report for 2013 Accounting Period has been prepared based on third clause of article 516 of Turkish Trade Act and article 518, and in accordance with provisions of "Principles Regarding Financial Reporting in Capital Market" of Capital Market Board and the provisions of "Regulation Regarding Determination of Minimum Contents of Annual Activity Reports of the Companies" by the Ministry of Customs and Trade.

Preparation Principles of Annual Activity Report:

The annual activity report accurately, completely, realistically and honestly reflects the business and transaction flow and financial status in all aspects of the company for the related accounting period by protecting the rights and benefits of the company. There are no fallacious, exaggerated and unrealistic expressions in this annual activity report, which evoke false opinions.

Utmost care is shown to prepare the annual activity report to ensure that the partners completely and accurately access all kinds of information regarding the activities of the company.

Approval of Annual Activity Report:

Annual Activity Report of our company for year 2013 has been signed and approved by Board Members of the Group in March 11, 2014.

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

INDEPENDENT AUDITOR'S REPORT
ON THE ANNUAL REPORT

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

1. As part of our audit, we have assessed whether the financial information and the assessment and explanations of the Board of Directors presented in the annual report of Soda Sanayii A.Ş. ("the Company") prepared as of 31 December 2013 are consistent with the audited financial statements as of the same date.

2. Management is responsible for the preparation of the annual report in accordance with "the Communique on Determining the Minimum Contents of Company Annual Reports".

3. Our responsibility is to express an opinion on whether the financial information provided in the annual report is consistent with the audited financial statements on which we have expressed our opinion dated 6 March 2014.

   Our assessment is made in accordance with the principles and procedures for the preparation and issuing of annual reports in accordance with Turkish Commercial Code No. 6102 ("TCC"). Those principles and procedures require that an audit is planned and performed to obtain reasonable assurance whether the financial information provided in the annual report are free from material misstatement regarding the consistency of such information with the audited financial statements and the information obtained during the audit.

   We believe that the assessment we have made is sufficient and appropriate to provide a basis for our opinion.

4. Based on our opinion, the financial information and the assessment and explanations of the Board of Director's in the accompanying annual report of Soda Sanayii A.Ş. are consistent with the audited financial statements as at 31 December 2013.

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

Cihan Harman, SMMM
Partner

İstanbul, 11 March 2014

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SODA SANAYİİ A.Ş. 2013 ANNUAL REPORT